

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

French politics: big test for the constitution, Page 16

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World news Business summary

## Israelis strike at PLO in Lebanon

### Fall in \$, oil 'will lift French growth'

Israeli aircraft bombed Palestinian targets in southern Lebanon near the port of Sidon, and two Israeli soldiers were killed in a gun battle with a suspected infiltrator on a Jordan border.

The renewed violence came amid renewed efforts for a Middle East peace process, with Jordan's King Hussein holding a fourth day of talks with PLO leader Yasser Arafat.

Israeli officials said the dawn raid was aimed at bases recently occupied by PLO fighters who planned terrorist attacks against Israel.

**New US farm chief**  
President Ronald Reagan appointed Richard Lyng as Secretary of Agriculture, succeeding John Block, who resigned this month. Lyng, 67, was an aide to Reagan when he was California's Governor. Page 4

**Challenge to Aden**  
South Yemen's ousted president, Ali Nasser Mohammed, vowed to fight to resume power. He was said to be gathering forces in Abyan. Report from Aden. Page 6

**Museveni sworn in**  
Former guerrilla leader Yoweri Museveni was sworn in as Uganda's eighth President as 100,000 cheering supporters jammed the government square in Kampala. Officials said the border with Kenya would soon be reopened.

**Elections demand**  
An estimated 70,000 Pakistanis rallied in Lahore to demand new elections. It was the largest political demonstration since President Mohammad Zia ul-Haq last month ended eight years of martial law.

**Financiers held**  
Deutsche Anlagen-Leasing's former managing board chairman, Eberhard Kuehl, and former tax adviser Herbert Paulus, have been arrested on suspicion of tax evasion, said prosecutors in Koblenz.

**Papal visit opposed**  
Hindu fundamentalists warned of mass demonstrations against Saturday's visit by Pope John Paul. They say that he seeks new converts.

**Prosecution call**  
The French Justice Ministry asked the European Parliament to lift immunity of French newspaper publisher Robert Hersant so he can be prosecuted, ministry sources said. Hersant defied President Francois Mitterrand's Government by taking over a leading provincial daily in violation of a press monopoly law.

**Basques deported**  
France expelled two suspected members of Spain's outlawed Basque separatist group ETA. They chose deportation to Cape Verde off West Africa.

**Expulsions protest**  
Muslims went on strike in the Spanish enclave of Melilla on Morocco's north coast, to protest against a deadline for expulsion of illegal aliens.

**Theatre threatened**  
Sadler's Wells Theatre in London will close on May 17 unless £287,000 (£371,120) in funding is promised within two weeks.

**Tiger meat protest**  
Buddhist leaders in Taiwan have launched a campaign to save 12 tigers they say were imported as pets but are being sold to butchers for Lunar New Year feasts next month.

**Chess rematch**  
World chess champion Garry Kasparov will begin a 24-game defence of his title against Anatoly Karpov between July 28 and August 4 in London.

## Shocked US waits patiently for cause of shuttle disaster

WITH THE US still grieving at the staggering loss of the space shuttle Challenger, President Ronald Reagan made plans yesterday to attend a memorial service in Houston tomorrow for the seven crew members who perished in the world's worst space disaster, writes Reginald Dale, US Editor, in Washington, and Paul Taylor in Cape Canaveral.

As Mr Reagan ordered flags flown at half mast for a week, many Americans compared their feelings to those that they had experienced on learning of the assassination of President John F. Kennedy in November 1963.

Psychologists were called into schools around the US, including the one in Concord, New Hampshire, where Mrs Christine McAuliffe, the teacher on board the shuttle, had taught. Schoolchildren who had eagerly followed her exploits as the first teacher in space were thought to be in a particularly anguished state.

Mr Reagan, saying that he was emerging from the first "numbness of shock," declared that "life has to go on and so does the space programme." Having cancelled his official agenda yesterday, he spent much of the day telephoning the families of the people he has described as seven American heroes.

The White House said that until the cause of the catastrophe became clearer, Mr Reagan would be briefed every day on the progress of the investigation. Many experts have said that they thought the problem centred on the shuttle's gigantic external tank, containing more than half a million gallons of liquid hydrogen and oxygen. Others have speculated about damage by icicles that formed on the spacecraft in the exceptionally cold weather before the launch. NASA officials, however, have been angered by such speculation, saying that there is so far no way of knowing what really happened and that the launch had been cleared after two separate ice checks.

Mr Larry Speakes, the White House spokesman, said: "This is a tragedy of major proportions and one that concerns us all. But for the moment, there is no finger-pointing at NASA as far as their safety record."

Nevertheless, numerous experts and the public in general were asking searching questions about the conduct of the space programme.

Was the shuttle programme pushing the limits of technology too fast? Or "stretching the outer edges of the envelope?" in the classic test pilot's phrase?

Should civilians like Mrs McAuliffe be sent into space largely for public relations purposes, when the technology is still at such an early stage?

Has the US got the balance right between manned and unmanned space exploration? This question is highlighted by the extraordinary success of the unmanned Voyager 2's encounter with Uranus, coincidentally just days before the Challenger catastrophe.

Has NASA submitted to competitive pressure in increasing the pace of shuttle flights and the number of people aboard, to make the venture economically viable?

On Capitol Hill, the view was that these questions would have to be answered as Congress considered future funds for the space programme - and decided whether to spend up to \$2bn replacing Challenger - at a time of exceptionally severe budgetary restraint. Until the cause of the accident is known, however, many people are inclined to give NASA the benefit of the doubt.

Nevertheless, some former astronauts, including Mr Frank Borman, now president of Eastern Air Lines, and Senator John Glenn, of Ohio, suggested that the time was not yet ripe for civilian flights. Mr Borman described such flights as "a little improper" given the risks.

Mr Glenn said that the main point of the shuttle programme was research, not to prove that "we can put the butcher, the baker and the candlestick maker up on those rides."

At his first official press conference since the tragedy, Dr William Graham, NASA's acting director, insisted that "space must also be accessible" to more than just a limited group of astronauts and that the agency's policy of encouraging others to travel on the shuttle would "certainly be continued."

The next shuttle launch planned for early March has been indefinitely postponed. Dr Graham refused to speculate on either the possible causes of the disaster or on how long the programme would be delayed. Some independent experts are predicting at least a year's delay.

The officials revealed that after the first explosion aboard Challenger, the shuttle's solid fuel rockets were deliberately blown up by ground control to avoid any possibility of their falling out of the sky and causing a disaster on land.

What NASA does next, Page 4

## European groups plan tender to block rival rescue of Westland

BY LIONEL BARBER IN LONDON AND JAMES BUXTON IN ROME

THE FUTURE of Westland, Britain's ailing helicopter maker, was thrown into further confusion last night after the European aerospace consortium announced a new tactic which threatens to block the rival Sikorsky/Finat rescue plan for the company.

The consortium is to make a tender offer for just over 21 per cent of Westland's equity at 130p a share. If the offer is successful, the consortium will speak for 50 per cent of Westland, enough to sink the Sikorsky/Finat plan to be put to a shareholders' vote on February 12.

Sir John Treacher, Westland's vice chairman, said last night: "This latest manoeuvre by the Europeans has the potential to wreck the Sikorsky/Finat deal on the table. It worries us."

Mr David Horne, managing director of Lloyds Merchant Bank which is advising the consortium, described the tender offer as an attempt to garner support from Westland's small shareholders, whose polling is likely to prove decisive in next month's vote.

Over the past fortnight, the European consortium and Sikorsky, the US helicopter maker, have both offered premium prices for Westland shares, primarily to institutional shareholders. The result is that the rival camps each speak for about 30 per cent of Westland's equity, with small shareholders holding the balance.

The new tactic by the consortium follows a revised £30m (£12m) rescue plan announced by Sikorsky/Finat on Monday and backed by the Westland board.

The tender offer is being made by

## Divisions in Opec on supply policies

### Europe unlikely to take lead from Tokyo's rate cut

By Dominic Lawson

THE FIRST signs of cracks in the resolve of the Organisation of Petroleum Exporting Countries (Opec) to fight for market share at the expense of high prices emerged yesterday as the North Sea oil price dipped below \$18 a barrel.

The Libyan Oil Minister, Mr Fawzi Shakhshouk, said yesterday that Opec should restore "previous resolutions relating to quotas and official prices of their oil."

Opec is producing more than 16m barrels of oil a day, compared with its previously agreed quota of 15m barrels. Mr Shakhshouk argued yesterday that Opec should cut output to below 16m b/d because "the rise in output does not at all make up for the decline in prices."

A similar approach emerged in reports from the official Iranian newsagency, Irna, which said yesterday that Iran's Deputy Oil Minister, Mr Hossein Kazempour Ardabili, was travelling to Opec members Saudi Arabia and the United Arab Emirates (UAE) to put across an Iranian plan to raise oil prices by cutting production.

The UAE Oil Minister, Dr Mana Said Otaiba, yesterday met his British counterpart, Mr Peter Walker, in London. He is thought to have asked for UK support in production cuts. But Mr Walker is believed to have once again stressed the UK's resolve not to cut North Sea output.

The initiatives from Libya and Iran will have bolstered the UK's belief that Opec countries have the most to lose from falling oil prices.

Brent, the main North Sea crude, was traded as low as \$17.90 a barrel before closing in London at around \$18.30, still \$1.40 below the previous closing range.

Westland shares closed on the London stock exchange at 128p.

Mr Satoshi Sumita, the governor of Japan's central bank, noted that the country's economy had been slowing while the current account balance of payments remained in considerable surplus and the yen had established itself on a firm trend.

The discount rate cut was thus being made in the expectation that it would help "promote a balanced growth of the economy led by domestic demand, and also contribute to further adjustment of the external imbalance," he said.

The Bank of Japan was not acting to stop the slide in the value of the dollar, he said, and it had no fixed target yen-dollar rate. He did not think the dollar would rise again suddenly, but if it did, the Bank would intervene in the markets in accordance with its commitment.

European central bankers viewed the cut in Japan's discount rate as dictated by its domestic concerns and said it had come sooner than might have been expected after the meeting of finance ministers of the Group of Five industrial nations in London earlier this month. They said it would not affect their own decisions on when interest rates should be lowered.

Political appeal of rate cut, Page 6; Money markets, Page 33

## Thyssen promises 10% payout after more than doubling profit

BY PETER BRUCE IN DÜSSELDORF

THYSSEN, the West German industrial group and Europe's biggest private sector steel producer, more than doubled its net profits in the year to September 30 1985 and said it would be recommending payment of a 10 per cent dividend to shareholders after two years without a payout.

The group finished 1984-85 with net income of DM 472m (£197m) after DM 181m a year earlier and a loss of DM 500m in 1982-83. Total turnover rose 8 per cent to DM 44.5bn. Mr Dieter Spethmann, Thyssen's chairman, said all the group's divisions made profits last year and he added that results in the first quarter of 1985-86 had been satisfactory. Average monthly turnover in the first three months, at DM 2.8bn, is 1 per cent up on the corresponding time last year.

Thyssen, now confident that it has recovered from its financial crisis of the early 1980s, which resulted from a combination of recession

and the ill-timed purchase of the Budd company in the US, also said it was planning to ask shareholders to approve the raising of a nominal DM 150m in new capital should it prove necessary. Mr Spethmann also said Thyssen would be looking for permission to issue convertible bonds worth up to DM 650m.

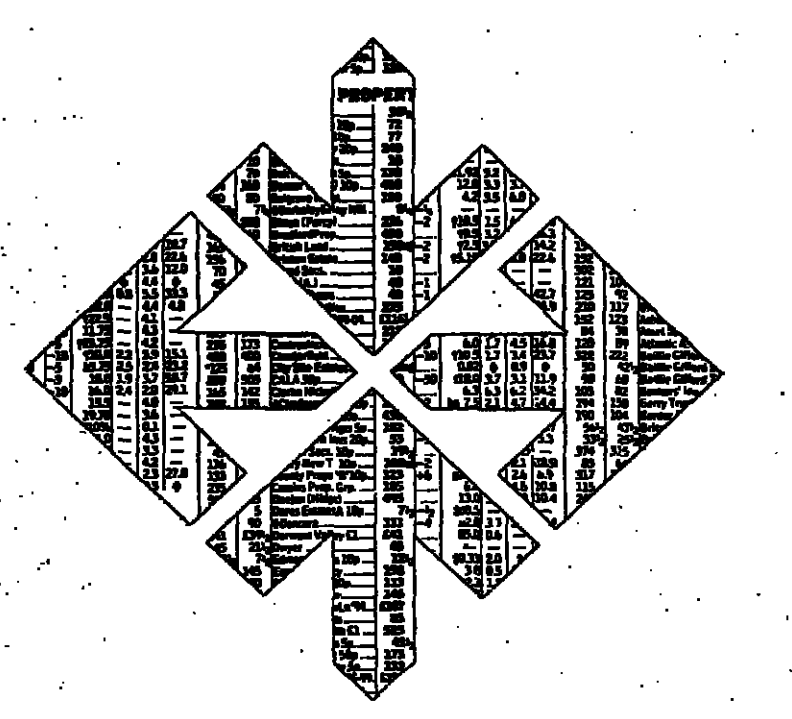
Although Thyssen owes much of its success last year to its steel division, which increased net profits from DM 93m to DM 333m because of stronger European steel prices and buoyant exports to the US, the troubled Budd company has clearly begun to respond positively to a four-year rescue effort.

After pre-tax losses of DM 452m in 1982-83 and DM 139m in 1983-84, the US group turned in profits of DM 158m last year. Thyssen said it planned to invest \$110m in building a new plant to extend Budd's capacity in plastic automobile parts.

Transit America, a railway rolling stock producer which Thyssen has bought off from Budd, continues to lose money, however, and Thyssen executives say they intend either to sell it or close the entire operation. American buyers are thin on the ground, however, although it is understood that a Japanese manufacturer has shown some interest. It is also understood that Thyssen may be loath at the moment, to give up on Transit America altogether because it has recently won the support of the US Estimbank for its efforts to win a big Algerian contract for rolling stock against strong French competition.

Despite Thyssen's optimism for 1985-86, the group has already said that it does not expect its steel division profits this year to grow as quickly as in 1984-85, largely because of new protectionist measures in the US and the strengthening of the D-Mark against the dollar.

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EUROPEAN NEWS

French companies criticised for failure to adapt

BY DAVID HOUSEGO IN PARIS

FRANCE'S SHARE in world trade in manufactured goods appears to have flattened out last year after a lengthy period of decline, according to a study from the Planning Commission. The study, with which industrialists were associated, blames the loss of market share on companies' failure to adapt their products to changing market conditions and on inadequate salesmanship. It says that in none of the sectors studied — which included machine tools — was technological backwardness the main reason for loss of market share. Industry's share of world trade in manufactured goods slipped from 8.9 per cent in 1978 to 6.8 per cent in 1983. It says that West Germany and other European countries also lost market share to US industry and Japan at that time. The authors believe, however, that France's loss of market share was more concentrated in industrialised countries — thus suggesting a loss of competitiveness with its main trading partners. They argue also that France, unlike Japan and West Germany, has suffered from not having an industrial structure based around key competitive sectors. French industry, it

Twelve close inflation gap with trade rivals

BY PAUL CHEESBRIGHT IN BRUSSELS

INFLATION RATES in the European Community are continuing to decline and the gap between the Community, the US and Japan will close further this year. The European Commission yesterday published this assessment after analysis of price trends in the world's three major trading powers. The latest figures show that in the year to last October the overall Community inflation rate at 5.1 per cent was respectively 3 percentage points and 1.9 percentage points above those of Japan and the US. But expected movements in

Table with 5 columns: Country, 1982, 1983, 1984, Oct. 84-Oct. 85. Rows: EEC, US, Japan. Source: European Commission.

exchange rates this year should play a significant role in shifting the differentials. Until last year, the depreciation of the Ecu against the dollar limited prices in the Community but depressed them in the US, the Commission noted. There should be a reverse this year. The nominal effective exchange rate in the Community, in relation to its principal trading partners, will exert "a strong restraining influence (up to 0.9 percentage points) on the price of total final expenditure," the Commission said. By contrast, exchange rates in the US are expected to boost final expenditure by 0.9 percentage points. A similar pattern is expected to emerge from the influence of domestic factors on prices. They accounted for 3.9 percent-

Turks sign protocol for coal power plant

By David Barchard in Ankara

TURKEY'S Ministry of Energy and Natural Resources has signed a protocol with a consortium composed of Bechtel and Combustion Engineering of the US and KKW of West Germany to build a coal-fired power plant at Tekirdag in Thrace. The agreement will have to be complemented by a financial deal before a final contract can be signed.

If it goes ahead, the power plant may be the first to be built under Turkey's "Ozal Model" in which a foreign company sets up a joint venture with a Turkish partner to build and operate a power plant for 15 years before handing it back to the Turkish authorities. The foreign partners in the Tekirdag scheme are expected to hold 70 per cent of the equity in a \$200m venture.

However, Eximbank of the US has reportedly been stalling over whether to back the deal unless a sovereign guarantee is provided by the Turkish Government. So far, the Turkish authorities have been willing only to supply market and prices guarantees.

The Tekirdag project will be fuelled with coal supplied by Shell. Negotiations between the Turkish Government and Seapac of Australia were also in progress in Ankara yesterday.

Bechtel is reported to have asked for a price of 4.6 cents a unit. That has apparently still to be finally accepted by the Turkish authorities, who have rejected a 5.5 cents a unit price from Brown Boveri in a rival deal.

The Tekirdag plant will have a production capacity of 4.5bn kwh a year and cost up to \$900m.

The fate of all those schemes, however, is likely to hinge on whether a \$300m nuclear power plant at Akkuyu goes ahead. Agreement was reached last autumn between the Turkish Electricity Authority and AECL of Canada, but so far it has not been followed by the necessary financing to support it.

Turkey's inflation rate will slow to 3.8 per cent this year from 4.2 per cent in 1985, but will still exceed the Government's 2.5 per cent target, a senior businessmen's association said yesterday, Reuters reports from Istanbul.

Natta heals rift with Moscow

By James Buxton in Rome

THE ITALIAN Communist leader, Mr Alessandro Natta, appears to have healed his party's rift with the Soviet Union during a successful visit to Moscow which ended yesterday. Mr Natta, who was received with unusual warmth by Mr Mikhail Gorbachev, insisted here yesterday that there had never been any "interruption" or "damage" to relations and that, therefore, there had been nothing to heal. But there is little doubt that the Italian party is now on much better terms with its Soviet counterpart than it was earlier in the decade. The Italian Communists have warmly welcomed Mr Gorbachev's initiative on arms control and nuclear testing.

After the imposition of martial law in Poland in 1981, Mr Enrico Berlinguer, Mr Natta's predecessor as party secretary, publicly questioned whether the Soviet experience had any relevance for West Europeans. The Soviet Union responded by calling the Italian party anti-Soviet and accusing it of aiding imperialism and anti-Communism. No party leader visited Moscow between 1978 and Mr Natta's visit this week, apart from formal attendance at the successive funerals of Soviet leaders.

Since Mr Gorbachev's arrival in power there have been moves within the Italian party, not only from its Stalinist wing, for better relations with Moscow.

BUOYANT OUTLOOK FOR WEST GERMAN CAR COMPANY

Daimler-Benz celebrates its 'ton'

BY JOHN DAVIES IN STUTTGART

THE West German motor company, Daimler-Benz opened its centenary celebrations here yesterday before the elite of the motoring world. Top car manufacturers, racing drivers, chauffeur-driven businessmen and diplomats have all descended on the city to mark the achievements of Carl Benz and Gottlieb Daimler, regarded (in Germany at least) as founders of the motor industry.

Even the French who celebrated what they assert to be their own motor centenary two years ago, sent a few representatives. Even for a company that nurtures its image with great care, the centenary could scarcely have come at a better time. Its compact and its new medium class models helped Daimler-Benz increase its sales in West Germany by 17 per cent last

year, in sharp contrast to a slight decline in the market as a whole. While BMW, Opel, Ford, Audi, Fiat and Renault all lost market share, Daimler-Benz increased its share along with Volkswagen and the Japanese. Its share went up to 11.3 per cent from 9.8 per cent in 1984. It has yet to announce its 1985 profits or dividend, but with sales abroad also buoyant, it has made clear that shareholders can expect generous treatment to mark its centenary. The company has also expanded in high-technology areas during the past year, gaining full ownership of MTU the aero and marine engine maker, taking a controlling stake in Dornier, the aircraft manufacturer and buying a majority of AEG, the electrical group.

These moves, making Daimler-Benz West Germany's biggest business in terms of sales revenue (above DM 50bn), have been viewed with some misgivings especially in the neighbouring and rival state of Bavaria. In its home state of Baden-Wuerttemberg, however, Daimler-Benz's star symbol is shining more brightly than ever. Mr Lothar Spaeth, the state premier, told thousands of guests at an exhibition of vintage models yesterday that the car industry had lifted southern West Germany "out of the poor house" into prosperity. "A hundred years ago, we exported people because they did not have enough to eat," he said. Today, Daimler-Benz, which has 70,000 of its 200,000 workers in and around Stuttgart is one of the country's biggest exporters. The whole West German industry produced a record 4m cars last year and

exported more than 60 per cent of them. Prof Werner Breitschwerdt, Daimler-Benz's wry chief executive, said that car technology would concentrate even more on safety, energy saving and exhaust control in the future. One aim should be to cut the car accident rate in half by the year 2000 through using technology to offset human error. Chancellor Helmut Kohl agreed that no-one could stand idly by as long as 8,000 people were being killed and 400,000 injured in road accidents in West Germany every year. Nothing could dim the optimism of Prof Breitschwerdt, however. "Everywhere in the world it is only a small minority that does not recognise or does not want to recognise the progress made possible through the car," he said. "The future belongs to the car."

Left behind him if he is to exceed the 46.3 per cent his opponent took in the first round, and achieve a majority of more than 50 per cent. Mr Soares also addressed moderates on his right, warning that while he believes Prof Freitas do Amaral to be a democrat, around him are people nostalgic for Portugal's dictatorial past. He presents himself as a conciliatory, stabilising force. He argues that victory for his rival would polarise politics, unleash

Soares courts Communists but shuns party

BY DIANA SMITH IN LISBON

MR MARIO SOARES, runner-up in the first round of the Portuguese presidential election, has opened his bid for victory in the February 16 run-off by declaring that he rejects the support of the Communist party as such, but will accept votes from workers who normally vote Communist.

"I will negotiate with no party and no individual," he told a news conference. "The Communist party must decide whether it wants to let Prof Diogo Freitas do Amaral (the

Conservative candidate) win thanks to Communist abstention or see me win. As communists, many workers may dislike me — but I think, as workers, they prefer me to Prof Freitas do Amaral."

A democratic socialist who has slated the Communist party as an undemocratic force since the brief 1976 left-wing revolution, Mr Soares faces an exceptionally strong, well-organised challenge from Prof Freitas do Amaral next month. Like it or not, he has to rally the militant

latent far-right-wing dynamics and hamper the peaceful economic development Portugal needs.

Part of Mr Soares's argument was born out by the ugly behaviour of right-wing youths after Sunday's election gave a Prof Freitas a strong vote. There is a genuine fear among moderate Portuguese that veiled anti-democratic urges among citizens who lost power and privilege in 1974 could erupt with a conservative presidential victory.

Ozal expects Turkey to join EEC within decade

BY DAVID BARCHARD IN ISTANBUL

TURKISH BUSINESSMEN and companies should make their plans on the assumption that the country will be a full European Community member in 10 years' time, Mr Turgut Ozal, the Prime Minister, said yesterday. Mr Ozal, addressing the annual general meeting of the influential Turkish industrialists' and businessmen's association, warned that European Community membership would mean more than just a unilateral decision by Turkey to join.

"It is not enough," he said, "for us to be determined to join. It does not matter whether we join on this date or that

Turkey's industry must start organising itself for the burdens of membership." Turkey's major industrialists in Istanbul are the leading lobbyists for an application to join the Community at an early date, believing their economy must integrate fully with Western Europe.

Many economists question whether Turkey's private-sector industry is sufficiently strong yet to survive the competition which would accompany EEC membership.

Under the 1964 Treaty of Ankara, Turkey is an association member of the Community aiming at eventual full membership.

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AMERICAN NEWS

Search starts for clue to cause of shuttle disaster

BY PAUL TAYLOR IN CAPE CANAVERAL

THE IMMEDIATE focus of the five-man interim investigation team established by the National Aeronautics and Space Administration to probe the Challenger tragedy is to collect and secure all the computer and other data associated with the space shuttle's launch and brief flight, and to oversee the continuing search for debris.

Mr Mikhail Gorbachev, the Soviet leader, yesterday sent a telegram to US President Ronald Reagan saying that the Soviet Union shares "Your grief at the tragic death of the crew of the space shuttle Challenger."

The Soviet news agency Tass had already given yesterday a lengthy account of the cause of the accident, quoting American experts. It did not repeat previous Soviet claims that the shuttle programme had become a largely military venture with

a key role in strategic defence initiative (star wars). Tass quoted an American technician as saying that NASA had not studied sufficiently the technical difficulties of reusing the shuttle because "it was in a hurry to turn them into real commercial aircraft."

The destruction of the shuttle is likely nevertheless to increase Soviet disbelief that star wars is feasible or that the US is capable of building an anti-ballistic missile system which could not be penetrated by the Soviet Union.

The search, covering an 8,000 square mile area of the Atlantic off the Florida coast, had been suspended overnight because of concern that the shuttle might collide with floating, and possibly dangerous, debris on the surface. By nightfall on Tuesday the coast guard-led search teams had already recovered "scattered debris" including some material with markings, ac-

ording to Lt Commander Jim Simpson of the US Coastguard. Among the debris recovered so far are several "large pieces", one measuring 10 ft. There are also reports that debris being washed up along the Florida coast overnight, prompting a warning from the Defense Department to bounty hunters that some of the material could be toxic or explosive.

The recovered debris is being transported to Patrick Air Force Base for study by a formal investigative team whose members are expected to be named shortly.

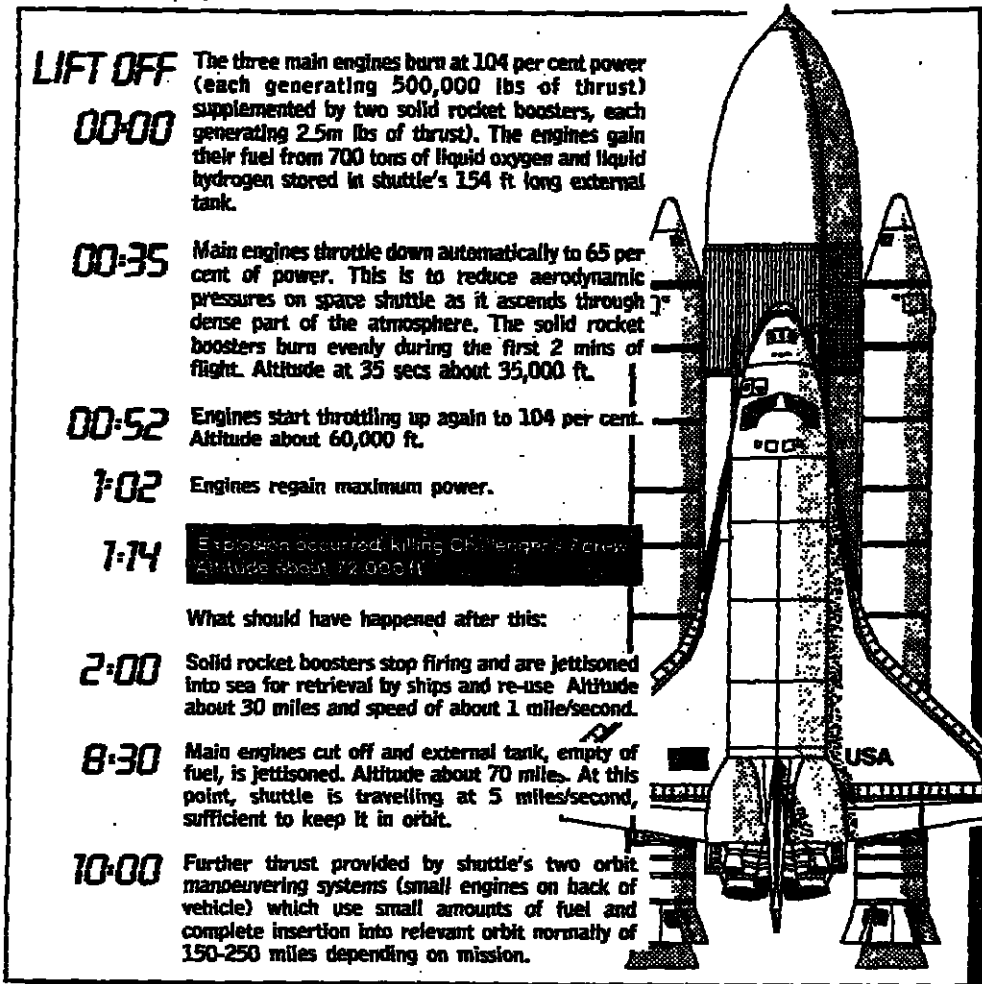
● Film and video footage. Each shuttle launch is monitored by batteries of remote-controlled still and motion picture cameras which surround the tank.

Cameras The launch pad. Many of these cameras are within a mile of the launch pad itself and are activated by sound waves.

Some of these cameras are operated by Nasa, others by the Press corp. In the accident aftermath, Nasa has impounded all the cameras and film from the remote locations. Nasa is likely to use computer graphics to reconstruct the footage of the moment of the explosion which appeared to television viewers to show the fire ball which consumer Challenger being generated by a flash of flame between the shuttle and its huge external tank.

● Hardware. Nasa has "frozen" all the equipment used at the shuttle launch pad, vehicle assembly and cargo handling areas at the Kennedy Space Centre. The area has been put "off limits" to visitors and the normal public tours have been suspended.

● Computer data. A shuttle launch generates enormous volumes of computer data which will now be pored over by system experts and programmers. Aside from the shuttle and launch pad instrument information recorded in the minutes leading up to and after



Arianespace postpones image building

By Paul Beets in Paris

ARIANESPACE, the French-led company marketing the flights of the European Ariane space rocket, has postponed a Press conference set for today at which it had been expected to boast the merits of the European launcher over the rival US shuttle.

The company said that it would have been "inopportune" to hold the conference, which was partially designed to boost Ariane's image after its launch failure last September. Mr Frederic d'Allest, the Arianespace chairman, had been expected to discuss the group's plans to open an office in Japan in the future and to discuss the general outlook for the Ariane rocket.

Although Ariane officials in Paris yesterday were expressing their sadness over the tragedy, the commercial and technical impact of the disaster on the European and French space industry was already being discussed. Ariane officials declined to discuss the commercial implications of the disaster on the European space rocket, but confirmed that the Ariane order book involved more than \$1bn (£745m) and included the launch of 28 satellites up to 1988-89.

The Nasa setback is bound to attract more commercial interest in Ariane, and perhaps persuade potential customers hesitating between the two rival satellite launch systems to choose the European rocket.

However, it seems unlikely that Ariane would be able to absorb a large inflow of new short-term orders because of the US space shuttle disaster. Indeed, Ariane has recently been having launch problems of its own. The Ariane 1B, launched in comparison with Tuesday's tragedy.

Ariane suffered a setback last September when it failed shortly after lift-off from Kourou in French Guiana and destroyed two communications satellites. The disaster was witnessed by President Mitterrand. It was the first failure of Ariane, whose \$1bn development costs have been 60 per cent financed by France since September 1982. European rocket had chalked up nine successive missions and become a serious rival of the US space shuttle.

The September failure last year has brought the number of Ariane failures to three out of 15.

Because of the failure, Arianespace has been forced to reschedule its timetable of eight launches this year. One of the victims of the delay is the French TDF-1 direct broadcasting television satellite. The project, a highly controversial project, was due to be launched in July but will probably be launched next November.

However, Arianespace has said that although Ariane will not have launched a satellite in space for about seven months - the 16th and next launch was recently postponed until next month - this should not affect its commercial prospects.

Redemption Notice City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due March 1, 1988

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of March 1, 1976 under which the above described Bonds were issued, that Citibank, N.A., Fiscal Agent, has selected by lot for redemption on March 1, 1986 through the operation of the Sinking Fund, \$1,659,000 principal amount of said Bonds at the sinking fund redemption price of 101% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

Table with columns for Bond Numbers and corresponding serial numbers. Includes a list of numbers from 6 to 814.

On March 1, 1986 there will be due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to the date fixed for redemption. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment thereof of public and private debts, upon presentation and surrender of said Bonds, with all coupons pertaining thereto maturing after the date fixed for redemption, at the Municipal Finance Office, 5th Floor of Citibank, N.A., 111 Wall St., in the Borough of Manhattan, The City of New York and subject to applicable laws and regulations, at the main offices of Citibank, N.A. in Amsterdam, Brussels, Frankfurt/Main, London, Milan and Paris, and Kredietbank, S.A. Luxembourg/Brussels in Luxembourg, Payorcut at the offices of Citibank, N.A. in Europe referred to above will be made by check drawn upon a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

On and after the date fixed for redemption interest on said Bonds will cease to accrue. Coupons due March 1, 1986 should be detached from the Bonds and presented for payment in the usual manner.

For the CITY OF OSLO (NORWAY) CITIBANK, N.A. as Fiscal Agent

NOTICE Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Fiscal Agent has the correct tax identification number (social security or employer identification number) or Exemption Certificate of the payee. Please furnish a properly completed Form W-9 or Exemption Certificate or equivalent when presenting your Securities.

Computers

A launch, Nasa's computers monitor every step in the lengthy procedure of readying a spacecraft for flight. The "heart" of a shuttle launch is the Launch Processing System (LPS), a highly automated computer-controlled overseer of the entire launch operation. From the moment a shuttle spacecraft returns to Cape Canaveral for launch, every aspect of its preparation is directed and then recorded by computers. In the case of Challenger, this computer information covers the best part of three months.

The LPS continually monitors the shuttle and its ground equipment, including environmental controls and the equip-

Mod faces delay over Skynet launch

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Ministry of Defence is faced with a dilemma over its forthcoming launches of Skynet 4A and 4B military communications satellites, scheduled for the US space shuttle in June this year and January 1987. Delays to the launch of the two Skynets could cause difficulties for the defence communications system, but the ministry's problem is that it does not know how long any similar delays may last in the wake of the disaster on Tuesday.

In common with other prospective users of the shuttle for satellite launching purposes, it

US urges Chevron to end Angola activities

BY REGINALD DALE, US EDITOR IN WASHINGTON

THE Reagan Administration for the first time has urged the Chevron Oil Company to consider ending its activities in Angola, where its Gulf subsidiary is responsible for most of the Marxist Government's oil revenue. The State Department has suggested that the company should consider withdrawing from the country, where it is in the middle of a war zone, and that they are also in the middle of a rather hot political debate in this country, and that they should be thinking about US national interests as well as their own corporate interests as they make their decisions.

Chevron, in a statement issued by its San Francisco headquarters, appeared taken aback by Mr Crocker's remarks and

Athens to buy jets direct from General Dynamics

ANDRIANA IERODIAKONOU IN ATHENS

GREECE, which is to buy 40 F-16 fighter aircraft for the Hellenic Air Force, has decided to make the purchase through a direct commercial agreement with the manufacturers, General Dynamics, and not through a government-to-government agreement which would have preferred. Mr Antonis Drosos, the Greek deputy Defence Minister, said yesterday that the Greek Government had sent a letter to Mr Cesar Weinberger, US Defence Secretary, giving notice of its decision.

A Pentagon team spent the early part of this week in Athens trying to persuade the Greek side to opt for a government-to-government sale.

Ecuador devalues sucre and revises import tariffs

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE Government of Ecuador has announced in Quito a 14 per cent devaluation of its currency, the sucre, as well as a sweeping package of tariff and price reforms designed to make its economy more flexible and raise fiscal revenues in the face of falling oil prices. The devaluation, which brings the rate of the sucre to 110 per dollar from 96.50 earlier, will offset the expected difference in inflation rates between Ecuador and the US this year.

Lyng named Agriculture Secretary

By Nancy Dunne in Washington

PRESIDENT REAGAN yesterday named Mr Richard Lyng, the overwhelming choice of the Washington DC farm lobby, to succeed Mr John Danforth as Secretary of Agriculture. Mr Lyng, a Reagan Administration insider, served as California Secretary of Agriculture from 1967 to 1969 when the President was governor. He seemed headed for the secretary post in the first Reagan Administration, but then Mr Reagan bowed to objections from congressional leaders who wanted a midwesterner. Mr Block got the job and Mr Lyng agreed to serve as his deputy to show him the ins and outs of Washington.

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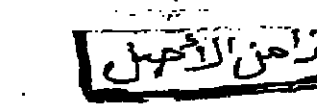
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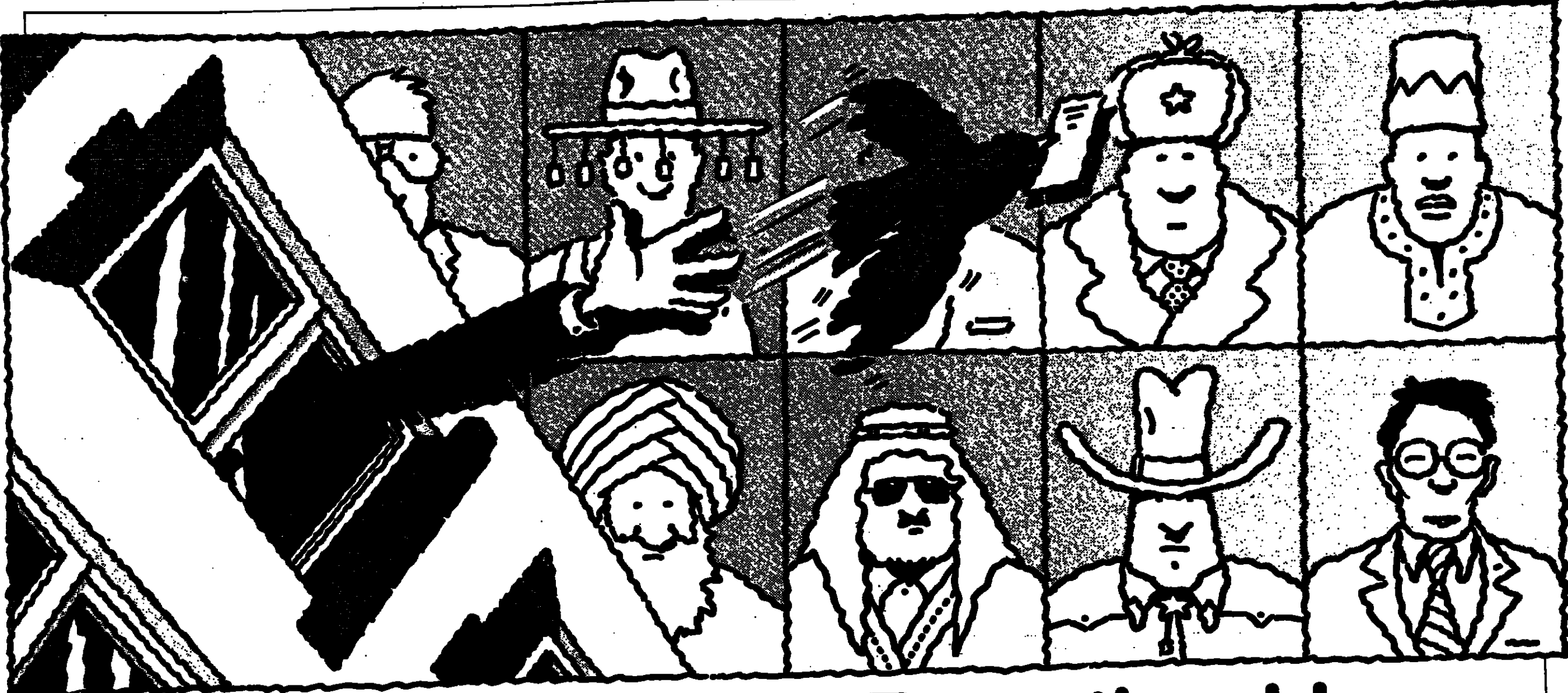
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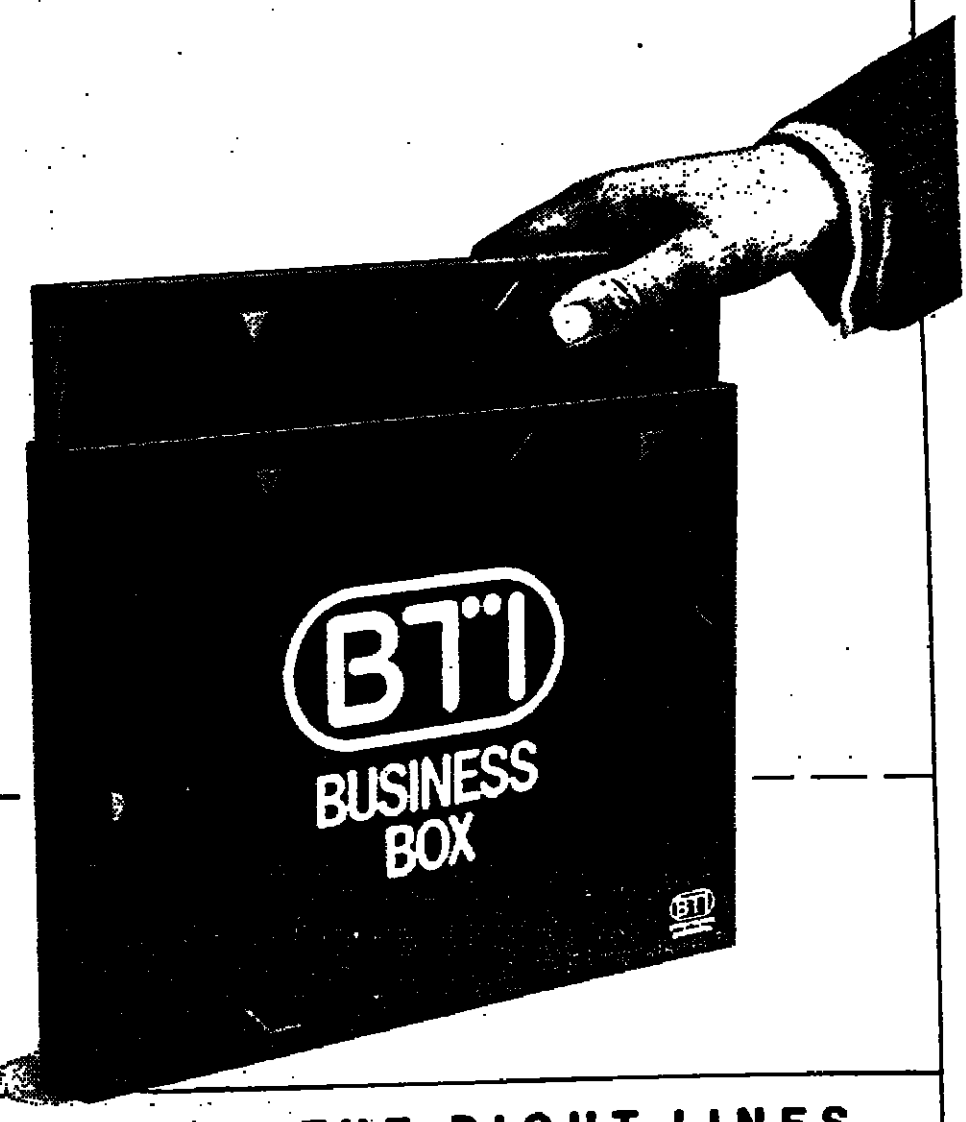
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OVERSEAS NEWS

South Yemen pays the price for President's pre-emptive strike

THE NEW government of South Yemen is striving to restore order as first authoritative details emerge of circumstances leading to the fierce conflict that brought the country to the brink of civil war and helped topple the President.



Tony Walker after a 52-hour yacht and dinghy journey from Djibouti, sends this first dispatch from Aden by a Western correspondent since the coup.

Travel by car is slow because of frequent roadblocks. Observers in Aden say it is misleading to see the conflict simply in terms of an ideological struggle between rival Marxist factions in the pro-Soviet state.

Marcos takes circus to rebel territory. Looking tired and groggy, President Ferdinand Marcos yesterday carried his circus-style reception campaign to the southern Philippines city of Davao.

Palestinian camps bombed by Israel

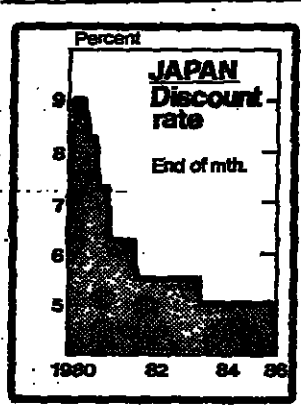
ISRAELI warplanes bombed Palestinian targets in southern Lebanon yesterday and hours later two Israeli soldiers were killed in a clash with an infiltrator on the Jordan border.

S. Africa tightens security clampdown

AS PART of a security clampdown in Cape Town in anticipation of tomorrow's opening of Parliament, Brig Chris Swart, the local police chief, yesterday banned the display of any form of political slogans from T-shirts to banners until February 15.

Japan rate cut has political appeal

"THE discount rate cut will have a very broad impact on medium-sized companies across industry and these companies are politically very influential. So the move is a political one."



Jurek Martin and Carla Rapoport, in Tokyo, analyse the moves behind, and the repercussions of, yesterday's discount rate cut from 5 to 4 1/2 per cent.

Further, there will be some industries which stand to gain some welcome support from the interest rate cut. Chief among these are the basic material industries, such as steel, petrochemicals and oil refineries.

Iran's oil exports cut

IRAN'S CAPACITY to export oil may be halved for several weeks as a result of recurrent Iraqi air attacks on the Ganavah area, 40 miles north-east of its main terminal at Kharg Island.

Foreign investment placings fail to satisfy Chinese

CHINA has reported a dramatic rise in foreign investment agreements in the past year, but the Chinese Government is disappointed that the vast majority of those projects is not in priority industries.

Fresh step forward to new Gatt round

By William Duffice in Geneva. PREPARATIONS for a new round of international trade negotiations got off to a harmonious start this week, free of the tensions that have troubled and delayed developing countries that characterized last year's exchanges within the General Agreement on Tariffs and Trade (GATT).

Patent battle threatens to erupt

A DECADE-LONG patent battle between Akzo and Du Pont over the use of aramid fibres is threatening to erupt into a heated, political trade dispute between Brussels and Washington.

Argentina, Soviet Union sign trade agreement

MR DANTE CAPUTO, the Argentine Foreign Minister, yesterday signed a five-year trade agreement and accord on cultural and political exchanges with Moscow, helping to guarantee Argentina its key grain market through 1990.

WORLD TRADE NEWS

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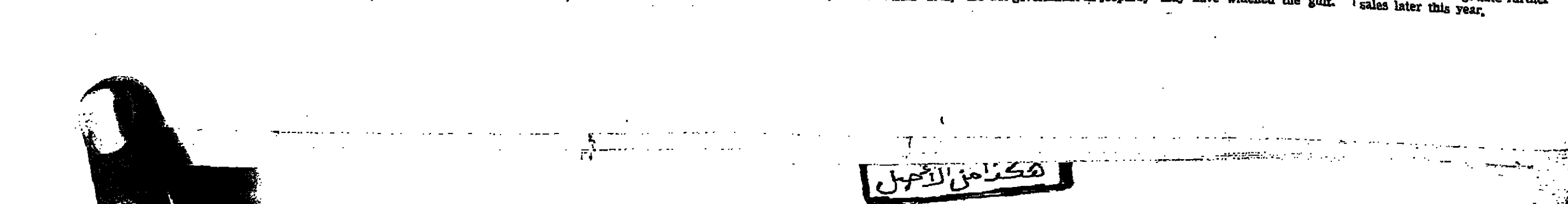
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Dr. Clayton Yentler

The import ban on twaron, which applies only to raw aramid materials and not finished products, was based on the ITC's judgment that Akzo had infringed a Du Pont patent for the manufacturing process.





UK NEWS

Murdoch wins court order against union

BY JOHN LLOYD AND HELEN HAGUE

MR RUPERT MURDOCH'S News International group last night obtained a High Court injunction to order the transport union to withdraw its instruction to members not to cross picket lines at the company's new east London plant.

United Newspapers joins the revolution in Fleet Street

MR DAVID STEVENS, chairman of United Newspapers, a precise man with figures walks across his office looking for a file to get his rhetoric absolutely right.

RAYMOND SNODDY talks to Mr David Stevens, United's chairman, on plans to reduce overmanning

When the effects of five-day working throughout the company have been properly assessed, Mr Stevens believes that further substantial savings in jobs can be made through automatic non-replacement.

Case for full role in EMS rejected

DEMANDS by the Social Democrat-Liberal Alliance that Britain should join the exchange rate mechanism (ERM) of the European Monetary System (EMS) forthwith were rejected by Mr Ian Stewart, Economic Secretary to the Treasury, in the House of Commons last night, Ivor Owen writes.

Ministry bars key officials from inquiry into Westland leak

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT was last night heading for a serious political clash with the cross-party defence committee of the House of Commons over the Westland affair, after the Department of Trade and Industry (DTI) said it would not allow three key officials involved in the controversy to give evidence to the MPs later today.

Construction orders show rise of 7%

BY LISA WOOD

ORDERS received by contractors for construction work in Britain in the three months to November 1985 were 7 per cent higher than in the previous three months and 2 per cent higher than the comparable period of 1984 according to seasonally adjusted figures from the Department of the Environment.

Court move against EBC Amro Bank

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

CONTEMPT of court proceedings are to be launched against EBC Amro Bank - formerly European Banking Company - over its involvement in the transfer abroad of funds belonging to the National Union of Mineworkers during the miners' strike in 1984-85.

Changes in gas bill benefit oil industry

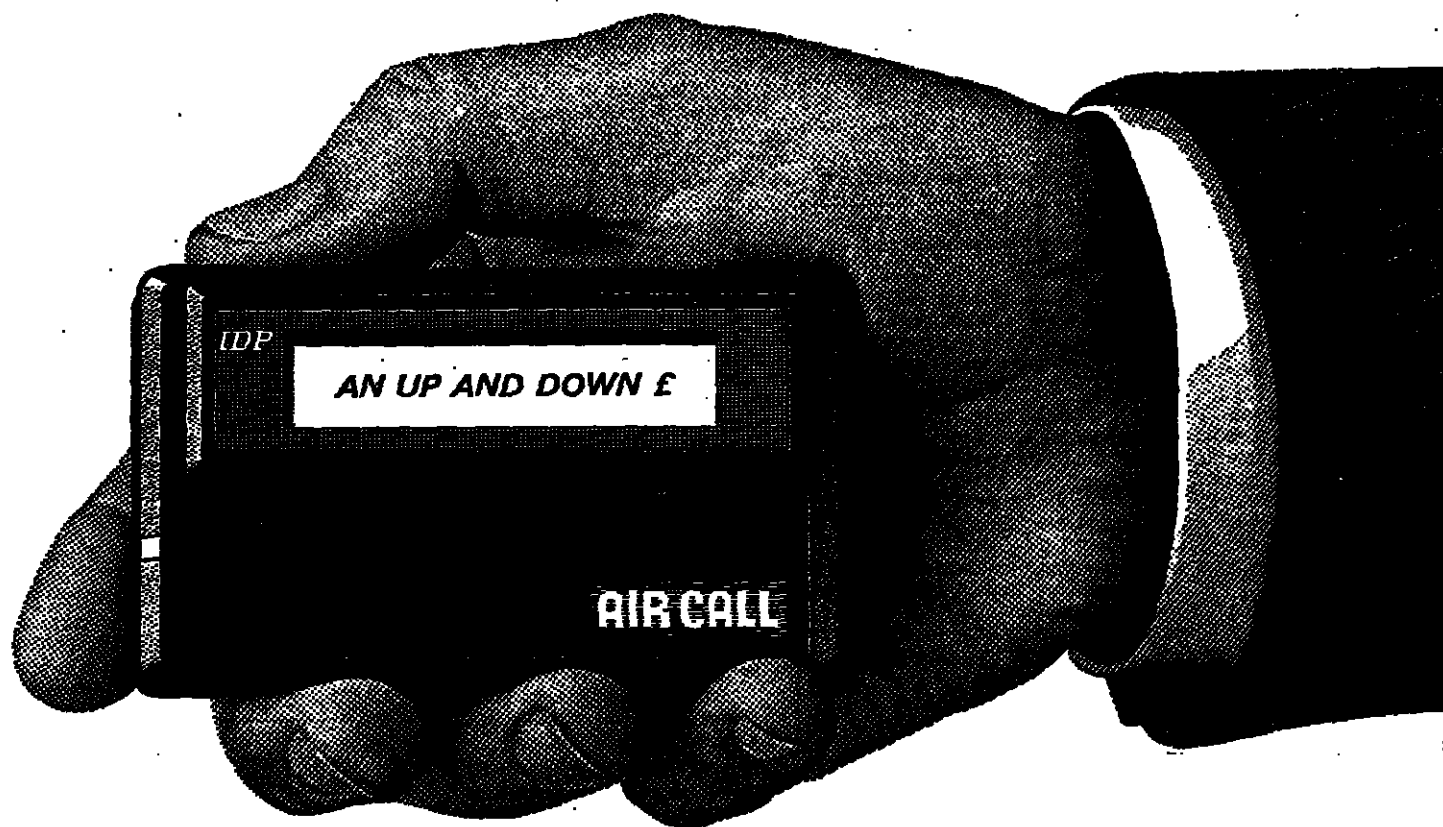
BY DOMINIC LAWSON

THE ABILITY of the oil industry to break the British Gas Corporation's hold on sales of gas to industry has been boosted by an amendment to the gas privatisation bill.

Advertisement for Standard Chartered Bank. Features a world map and the text: 'A BANK THAT SPANS THE LENGTH AND BREADTH OF THE WORLD'S MOST DYNAMIC REGION.' Includes details about the Pacific basin and international services.



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own reception area and specially trained staff to ensure your business function runs smoothly and efficiently. For slightly larger numbers, the Ballroom has two separate suites, one holding up to 150 people, the other 250. While under the glittering chandeliers of the Great Room, up to 1,500 guests can dine in sumptuous splendour. Discover the art of the perfect meeting. Call us on 01-499 6363.

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Notice is hereby given that pursuant to paragraph 8 of the Notes and Section 4 of the Fiscal and Paying Agency Agreement dated as of February 1, 1981 between GMAC Overseas Finance Corporation, N.V. (the Company) and Chemical Bank, Fiscal and Paying Agent, the Company hereby gives notice of its election to redeem all of its 12 1/4% Notes due February 1, 1988. The date fixed for redemption shall be February 24, 1986 and the Notes will be redeemed at the price of 101.5% of the principal amount thereof together with accrued interest to the date fixed for redemption. After February 24, 1986 the Notes will cease to accrue interest. The Notes will be redeemed upon presentation and surrender together with all appurtenant coupons, if any, maturing on and after the date fixed for redemption at the principal office of the fiscal agent, Chemical Bank, 55 Water Street, Corporate Trust Department in New York City or at the principal offices of Chemical Bank, London, Paris, Frankfurt am Main, Zurich and the principal offices of Banque Generale du Luxembourg S.A. in Luxembourg and Banque Bruxelles Lambert S.A. in Brussels, Belgium.

Chemical Bank, Fiscal and Paying Agent  
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GMAC Overseas Finance Corporation, N.V.

Dated: January 23, 1986

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CONCORDIA DEPARTURES 14th MARCH/16th APRIL

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## UK NEWS

# French see team spirit as key to Channel link

THE FRENCH partners in the Channel Tunnel Group-France Manche consortium chosen by Britain and France to build a twin-bore rail tunnel across the English Channel will press their UK associates to set up a tightly integrated and unified structure to undertake the project.

Mr Francis Bouygues, chairman of Bouygues, France's largest construction company and part of the CIG-France Manche group, said yesterday that he was anxious to see agreements between the 10 construction companies - five British, five French - in the consortium so that they could work "as if they were a single enterprise."

This would avoid problems of rivalries, enable the consortium to select the best talents from the various groups and forge a strong concept of teamwork in what was likely to become a novel example of extremely broad industrial co-operation between France and Britain, he said.

Mr Jean Paul Parayre, managing director of Dumez, another leading French construction company, who heads the French end of the consortium, also said yesterday that it was not ruling out the possibility of eventually building a bridge as a road link across the Channel.

CIG-France will be drawing up proposals for a drive-through road link by the year 2000. Although at this stage it is likely that the road project will probably involve a tunnel, Mr Parayre said other possibilities would be considered.

He said France Manche was setting up a small team of experts to study bridge construction tech-

Paul Betts in Paris reports on the cordial approach favoured by the French partners in the tunnel project.

niques. "We intend to keep an open mind on possible options and on the evolution of technologies," he said. The proposals the consortium puts forward for a road link will depend on future technological developments, the evolution in traffic patterns and the possibilities of financing a second link.

Mr Parayre said he also expected the financing of the road link to be exclusively private, as is the proposed rail link.

Britain has been especially keen on a road link. It was CIG-France Manche's agreement to consider this after the rail tunnel is completed that appears to have swayed the two governments in favour of CIG-France Manche in the fiercely fought Channel competition.

The five French construction companies in the consortium include Bouygues, Dumez, SAE, SGE and Spie Batignolles. They are ranked in the UK by Balfour Beatty, Costain, Tarmac Construction, Wimpey International and Taylor Woodrow.

Mr Bouygues said yesterday he would like to see these 10 companies work on the project under a single name, with its own special logo and flag.

He said a complete rapprochement between the groups working on a single site on both sides of the Channel would enhance the proj-

ect's efficiency. Division of labour and recruitment should be based on the strengths and talents of the various companies.

Mr Bouygues said he saw the French as having the leadership for the design and technical aspects of the project while Britain would lead the financial, administrative and management aspects. But he emphasised the need for total integration between the partners.

One of the strengths of French construction companies was the fact that they had long ago integrated design and construction activities, whereas in the UK the tendency had been to rely on engineers for design and construction groups for construction, Mr Bouygues said.

Both he and Mr Parayre stressed the need to concentrate activities on the sites in Kent and the Pas de Calais rather than setting up a parallel administrative structure in Paris and London, where small offices would be sufficient.

The French companies each expect to earn about FF 600m (£70m) a year during construction, but Mr Bouygues said the big attraction for a group such as his was to take part in such a large-scale project.

For Bouygues, FF 600m represents a relatively small proportion of the group's current annual sales of FF 27bn, which are likely to be swelled by a further FF 150m if Bouygues proceeds with its option to take control of the French Serec construction company by the end of June.

It would represent more for Dumez, whose annual sales total about FF 8bn.

## CTG draws up a shopping list for a 100-mile-long project

BY LYNTON MCLAIN AND IAN RODGER

THE CHANNEL tunnel project looks like providing a major boost in orders for some British manufacturers, but competition will be vigorous in many sectors, leading to tight margins.

The biggest single item on the Channel Tunnel Group's shopping list is precast tunnel linings. The two rail and one service tunnels total more than 100 miles in length, requiring vast amounts of lining.

CTG said a decision would have to be made before the end of this year on how it is to be supplied. The group would like to have one lining plant built close to, or on the site of, the English end of the tunnel workings. But it also wants dual sourcing.

Two of the big UK precast concrete suppliers, Costain and Tarmac, are members of the CIG consortium, so they are almost certain to be involved in one way or another. CIG is also considering operating its own plant on a franchise from a precast concrete company.

CTG's shopping list reveals a rough equality in the French and British purchasing requirements with the exception of cast iron linings. CTG said the British side of the tunnel would need iron linings for the cross joints for technical reasons while the French side would not.

The most likely UK supplier of

| Product                              | British supply (£m) | French supply (FFm) |
|--------------------------------------|---------------------|---------------------|
| Reinforcing steel                    | 15                  | 184                 |
| Cast-iron linings                    | 30                  | 25                  |
| Pre-cast tunnel linings              | 130                 | 1,980               |
| Concrete                             | 12                  | 220                 |
| Aggregate                            | 20                  | 240                 |
| Tunnel boring machines               | 24                  | 388                 |
| Tunnel spoil removal system          | 24                  | 210                 |
| Power, signalling, lighting, control | 57                  | 500                 |
| Electrical                           | 20                  | 220                 |
| Insulation                           | 20                  | 336                 |
| Rolling stock for production         | 20                  | 240                 |
| Construction plant                   | 60                  | 720                 |
| Steel sections                       | 60                  | 480                 |
| Other                                | 100                 | 720                 |
| Total                                | 772                 | 6,832               |

Source: Channel Tunnel Group

iron linings, Stanton & Staveley, is a subsidiary of the French group, Pont & Mousson.

CTG expects that under EEC rules it will have to do about a third of its tendering on an EEC-wide basis.

However, it believes that for the most part British suppliers will be competitive and it expects that about 95 per cent of its procurement will be done in the UK.

The significant items not currently available in the UK are the large

tunnel boring machines and the tunnel spoil removal system. CIG expects that the leading US and West German suppliers of this equipment will arrange for UK companies to make them under licence.

Competition is likely to be most severe in the procurement of the railway and ancillary equipment.

British Rail Engineering Ltd, General Electric Co and Hawker Siddeley are all keen to build the locomotives. Brel and Metro Cammell will be competing for the rolling stock while GEC, Hawker, Northern Engineering Industries and others will be fighting for various parts of the power, signalling, lighting and control equipment.

On the materials side, Allied Steel and Wire in South Wales and Sheerness Steel in Kent are the main suppliers of reinforcing steel while British Steel will almost certainly make the rails and the structural steel.

BSC said it could handle the demands with ease. Similarly, the leading cement producers, of which Tarmac is one, expected no problems in supplying the 400,000 tonnes required on the British side.

Blue Circle Industries, the leading UK cement maker, said its Northfleet works in Kent, south-east England, could supply the entire requirements of the project.

## Tougher moves urged on corporate fraud

BY NICK BUNKER

A LEADING accountancy firm yesterday outlined a range of new measures it believes are necessary to help to prevent and detect corporate fraud.

In a public reply to the Government's consultative document on the role of auditors in the proposed new system for supervision of financial services, Peat, Marwick, Mitchell and Co said a new definition of fraud should be incorporated in the Financial Services Bill now before Parliament.

More resources should be given to investigating agencies and the legal procedure in fraud cases should be streamlined in the ways recommended recently by the Roskill committee, said Mr Michael Fowie, head of the firm's UK banking practice.

Steps should be taken to compel the prompt filing of statutory accounts and any resignation by a company's auditors should be ac-

companied by a statement to the Registrar of Companies.

The firm welcomed the basic principles of the Government's consultative document calling for closer contact between auditors and supervisory bodies but said some of its detailed proposals were so broad as to be unworkable and needed to be refined.

That applied to the document's proposal that auditors should have a statutory duty in some circumstances to report directly to regulatory authorities. Auditors should give support to supervisors and regulators, but had to retain their traditional independence.

The consultative paper seems to envisage a wide-ranging extension of the auditor's responsibilities. But additional responsibilities can only be fulfilled if they are clearly defined and capable of fulfilment at an acceptable cost," Mr Fowie said.

## Rise of 6% in passengers at airports

By Michael Dome, Aerospace Correspondent

PASSENGER TRAFFIC at the British Airports Authority's seven airports last year rose by 6.1 per cent to a record 52.2m, clearly indicating the air transport industry's recovery from the recession.

Traffic at Heathrow rose by 7.3 per cent to nearly 31.3m while at Gatwick growth amounted to 6.7 per cent to reach 14.5m passengers. Some airports showed declines in passenger traffic, however, including Glasgow, down 1.8 per cent to just under 2.7m, and Aberdeen, down 3.6 per cent to 1.6m, although the latter was largely due to a sharp fall of 8.8 per cent to 606,300 in the number of helicopter passengers handled there.

Stansted, in Essex, showed a decline of 2.6 per cent to 513,000 passengers.

Aircraft movements at the BAA's seven airports showed a smaller rise, of 1.8 per cent to 614,200, reflecting the increasing use of bigger aircraft.

Aircraft movements at Heathrow rose by 2.8 per cent to 283,400 and at Gatwick by 4.8 per cent to 147,300 while Stansted showed a gain of 18.3 per cent to 14,000.

The Scottish airports as a whole showed a fall of 4.3 per cent to 169,500 in aircraft movements, again largely influenced by declining traffic, both by fixed-wing aircraft and helicopters, at Aberdeen which serves the North Sea oil and gas industries.

Cargo handled over the year as a whole showed little change, declining by only 0.7 per cent to 728,905 tonnes at Heathrow, Stansted, Glasgow and Aberdeen handled less, but Gatwick handled 9.4 per cent more at over 157,000 tonnes. Edinburgh had a big rise of over 153 per cent to 2,153 tonnes.

مكتبة الامم المتحدة



UK NEWS

# Oftel may press BT to set up sales offshoot

BY JASON CRISP

THE OFFICE of Telecommunications may press British Telecom to set up a wholly separate subsidiary to sell office equipment like private branch exchanges and key systems where it dominates the UK market.

This would mean establishing a new organisation with its own sales staff and engineers which did not have close contact with those supplying network services to customers.

Professor Bryan Carsberg, director general of Oftel, is particularly concerned about BT's domination in this market especially since the Government gave it the go-ahead to buy a majority stake in Mital, the troubled Canadian PABX manufacturer.

Prof Carsberg said yesterday that, if there was not a competitive market in this type of equipment in the next one or two years, he would have to consider ways of establishing one. The Monopolies and Mergers Commission (MMC) report on the BT bid for Mital showed it has just over 75 per cent of the UK market for PABXs.

Oftel will be working closely with

the Office of Fair Trading which has to determine what restrictions will be made on BT if it goes ahead with the Mital acquisition. Earlier this week the Government rejected a proposal by the MMC that BT should be prevented from marketing Mital exchanges in the UK.

BT is expected to be told not to sell any more Mital equipment than it did in 1985. As the price of PABXs is falling, that sales level may be in-ter-vened to prevent BT increasing its market share. Another concern is to prevent BT selling customers to buy the equipment from Mital directly as a way of getting round its quota.

BT is also likely to have to meet all the other conditions suggested by the commission other than the sales ban. These included:

- No cross-subsidies for Mital.
- No joint marketing of products and Mital should not be allowed to use BT's logo in its own marketing material.
- Ending of BT's exclusive rights to a new exchange.
- No joint use of resources including premises and staff.

Raymond Snoddy charts the troubled fortunes of the British film industry's flagship

# Goldcrest struggles back from the brink

YOU CAN plot the progress of Goldcrest Films and Television, the Oscar-winning British film independent that last week came close to the brink by the offices it has kept.

In the 1970s its founder and present chief executive Mr Jake Eberts worked from a succession of one-room offices in London. When the company was winning Oscars for Gandhi and Chariots of Fire it moved to decent but hardly palatial quarters behind Kensington Town Hall in London.

When Revolution, the £10m film set against the background of the American Revolution, was going over budget and heading towards bloody defeat at the hands of the American critics Goldcrest was en-coun-ciled in the most elegant offices in Wandour Street, London, heart of the British film industry.

The spacious modern offices overlooking a foliage-covered central courtyard cost a total of £255,000 a year, Mr Eberts says. He is now in the process of signing an agreement to move to a £50,000-a-year establishment although he is also thinking seriously about free use of a warehouse offered by a film industry well-wisher.

The grandeur, or lack of it, of Goldcrest's accommodation has matched its film fortunes with precision. The flagship of the British film industry, which has had the unique distinction of a best-picture nomination in the Oscars in four

consecutive years, is now having to rebuild itself from the bottom up for a second time.

Mr Eberts is in no doubt that at a board meeting a week ago today Goldcrest could have gone to the wall.

"It was the crunchiest meeting I have ever attended," says Mr Eberts, a chemical engineer who came to film finance via merchant banking.

Although Mr Eberts will not confirm the figure, it is believed that Goldcrest will have to write off £20m on its current films, much of it accounted for by Revolution and Absolute Beginners.

At the board meeting the possibility of closure was not mentioned. Instead two proposals for the sale of Goldcrest were considered but foundered because both potential bidders wanted to use Goldcrest as the foundation of a television empire and for Mr Eberts to stay and run it. As a pure "film man" he was reluctant to do so.

An option to turn the company into no more than a foreign sales and distribution operation was also re-jected as unnecessarily drastic. After an emotional nine-hour meeting at which several of the directors were close to tears and after much talk of "Britain, reputation and money," a survival plan was agreed which allows for a continuing modest involvement in film production. It was possible because all the



A scene from Goldcrest's production Revolution and (right) Mr Jake Eberts, the film company's chief executive

company's assets had not been fully exploited and because Pearson (publishers of the Financial Times), which has a 41.2 per cent stake, and the other principal shareholders decided to continue backing the company.

Just as important was the almost fanatical determination by the film-makers on the board, Sir Richard Attenborough and Mr David Puttnam, that film production should continue and the fact that Goldcrest has become as much a symbol of

the British film industry as a

company. The potency of the symbol has become even clearer in the past 10 days. The British film industry has rallied to protect Goldcrest and apart from free accommodation Goldcrest has been offered cut-price studio facilities. There have even been offers of new investment money.

Sir Richard hopes Goldcrest will have a share in his next film project, an \$18m epic on the late Steve

Biko, the South African civil rights activist, being financed by Universal. If agreement is reached, filming could start on May 19.

Goldcrest will also be earning decent sums of money from the marketing of three new films, The Name of the Rose, Half Moon Street and Room with a View.

But how could Goldcrest have gone so quickly from triumph to near defeat and lost its way between Kensington Town Hall and Wandour Street?

"I believe it was the wrong strategy to go for big budget films. If you spend more than £10m, you are aiming at one of the Top Ten films," Mr Eberts says.

Goldcrest, he believes, had too much risk riding on one or two films, compared with big studios which might make 15 to 20 films a year in search of a couple of smash hits.

The Goldcrest total exposure on Revolution was about £10m after the American market was pre-sold for \$5.5m to Warner Brothers. For Goldcrest to get any more from the US market for Revolution Warners would have had to recoup their \$5.5m from the box office plus nearly as much again for distribution fees and print costs. That is very unlikely.

On Revolution, Mr Eberts says, Goldcrest arranged a completion guarantee which did not take effect until cost overruns exceeded 20 per cent - so there was no compensation for the £3m overrun on the film.

Whatever the arguments about the nuts and bolts of Goldcrest, financing, three things are clear about the company's future: risks are going to be as well covered as possible; the emphasis will be heavily on co-production; and for some time the company is unlikely to stray from an entrepreneurial style of management in modest surroundings.

# Telephone wiring monopoly may end

BRITISH TELECOM is likely to lose its monopoly to install and maintain all the telephone wiring on domestic premises, writes Jason Crisp.

The Office of Telecommunications (Oftel) is expected to recommend to the Government that domestic telephone wiring is completely liberalised including the first (master) socket.

As recently as last December Oftel thought there would be problems in liberalising the master socket because it clearly marked the boundary where the public network ended. Unlike the rest of the domestic wiring the Government would also have to approve the liberalisation of the master socket.

Oftel's recommendation will have to be considered by Mr Paul Channon, Trade and Industry Secretary; but it is thought to be unlikely that there will be any major objections to the proposal.

BT's monopoly on domestic wiring is widely believed to have depressed sales of telephones which

have been liberalised for over three years. Although some telephones cost as little as £16, BT charges a minimum of £28.75 to make the necessary conversion to sockets. That rises to £52.50 if someone wants an extra two sockets.

Only about a quarter of British homes have been converted to sockets. The Telecom Dealers' Association recently estimated that, if domestic wiring was liberalised, including the master socket, sales would grow by at least £90m by 1990. It also said that, if BT retained the monopoly to the first socket - as was proposed - it would only grow by £40m.

Oftel is now suggesting that approved contractors would be allowed to install the master socket. BT would probably own the socket which would mark the boundary of the public network, and it would retain the right to inspect it. Residential customers would also be able to ask the contractor to install the rest of the wiring or they could do it themselves.

# Duménil-Leblé takes London Law stake

BY MICHAEL CASSELL

DUMÉNIL-LEBLÉ, the Paris-based financial, securities and banking house, has taken a controlling interest in London Law, the privately owned, licensed deposit taker and financial services group.

Duménil has paid over £2m for 69 per cent of London Law International, the holding company which embraces London Law Securities, the licensed deposit taking business. The deal raises London Law's capital base to about £3m.

London Law, which was founded 28 years ago and began to develop its banking arm about 10 years ago, offers consumer credit services as well as a range of private banking and specialist financial and investment advice. The group specialises in providing services for the self-employed.

Until yesterday's deal, London

Law was controlled by Prof A.R. Mellows, senior partner at Alexander & Partners, the solicitors, and Dean of Faculty of Law at the University of London. Two directors, Mr Peter Kitching and Mr James Atkinson, held a 17 per cent interest in the business.

Duménil, a small investment house quoted on the Second Marché, has been looking for a base in London. Six new directors of London Law have been appointed.

Mr Kitching said last night: "We had reached the point where we could not expand our business any further without an injection of additional capital. The agreement with Duménil will enable us to develop our financial services and they will be introducing business to us from France."

# Banks 'may pay interest on current accounts'

BY JOHN EDWARDS, PERSONAL FINANCE EDITOR

CLEARING BANKS may be forced to have longer opening hours, abolish charges (even on accounts in debit) and pay interest on current accounts to fight off growing competition especially from the building societies, according to a report published yesterday by market analysts Economizer.

The report says that banks may face a backlash against "transaction costs" from consumers who have wasted their lunch hours queuing to pay charges to cash cheques. It notes that there has only been a sluggish rise in current accounts held at banks - 65 per cent of adults in 1985 against 62 in 1982 -

and a decline in deposit accounts over the same period.

In contrast deposits with building societies have grown enormously with new deposits rising to £13.1bn in 1984 and outstanding balances to £30.3bn, leaving the banks far behind. Building societies offer better returns and broader choices on high interest accounts, the report adds, and the big four clearing banks face further competition from new rivals, such as the TSB, Royal Bank of Scotland and National Girobank.

\* Personal Finance Report, Economizer Publications, 97 Turnmill Street, London EC1, price £180.

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TECHNOLOGY

Peter Marsh examines the use of machine vision automation which is attracting engineers' attention worldwide

# A vision of factories of the future

IN A moment of distraction, a worker on an engine assembly line puts the wrong valve into the hole in a combustion chamber. The engine seizes up on its first trip outside the factory, damaging the manufacturer's reputation.

In most car factories, workers inserting rubber sealant in the cracks between panels often put it in the wrong place. A typical US plant wastes about \$1m (£718,000) of sealant a year in this way.

Hitachi of Japan the figure may increase steeply.

In a typical application, a camera scans a scene and passes information in digital form to a computer. For instance, the camera could obtain data about objects on a conveyor or complicated hardware which workers have assembled.

Then the computer might instruct a machine such as a robot to operate in a particular way, for instance to pick up the objects being viewed or to seal the cracks in a car. Alternatively, the computer records the data, for purposes such as quality control.

With such hardware, Kodak in Rochester, New York, is inspecting the electronic components of cameras for faults. GTE, Carrier and Abbott Laboratories, three other US companies, use similar systems to check on the dimensions of light bulbs, ceramic parts for air-conditioning systems and blister packs of pills. Corning Glass has introduced vision hardware to ensure catalytic converters are made correctly before they are put on pallets.



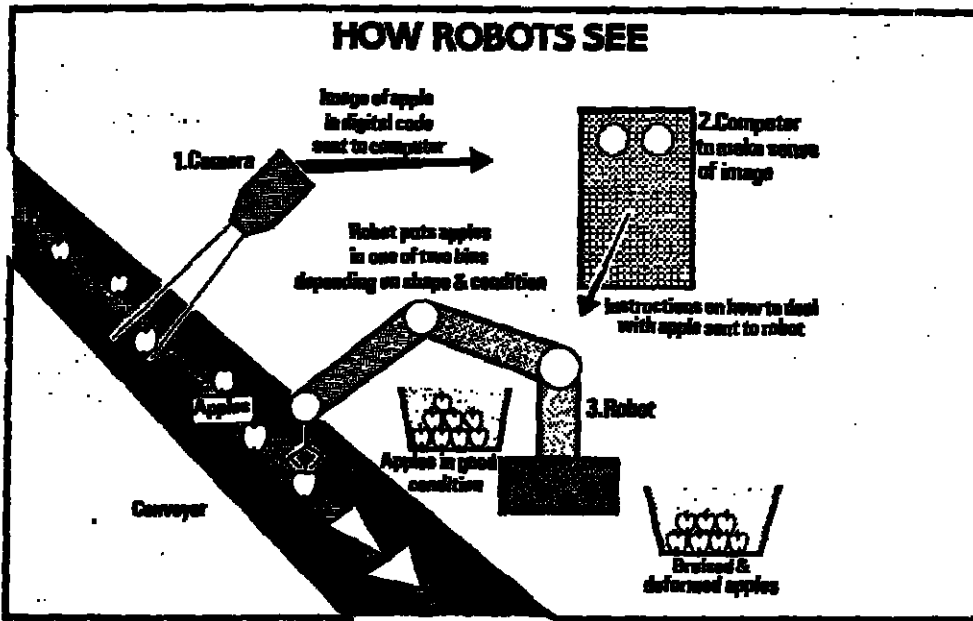
Workers at a General Motors factory in Warren, Ohio, have one-20th of a second to spot defects in electrical components as they speed past on a conveyor. In this case, a defect is equal to a misalignment of the components by as little as one 2,000th of an inch. Not surprisingly, the workers miss about 2 per cent of the flawed parts.

In all these instances, the problems can be eased by the application of machine vision, an area of automation attracting great attention from factory engineers worldwide.

By installing such systems, which view events on the factory floor and analyse the resulting pictures with computers, engineers can replace the eyes and brain of a human with a machine.

Machine vision has emerged as a significant commercial activity in the past three years. Most of the suppliers are small companies in the US, where sales of the hardware have doubled in each of the past two years to reach about \$120m a year.

In Western Europe and Japan, sales are much lower, about \$30m a year, though with the recent entry into the machine-vision business of companies such as Asea, of Sweden, Siemens of West Germany and



General Motors has taken a stake in several of the small suppliers (see other story). Other US companies, such as Westinghouse, General Electric and 3M, have indicated interest in producing vision systems—although no big company has indicated enough interest to make an attempt at leadership.

Ms Laura Comigliaro, an analyst with Prudential Bache Securities of New York, who monitors technical trends in automation, says: "It's not an easy industry."

She predicts sales of vision

Mr Don Braggins, a British consultant in factory vision systems, says: "Machine vision allows factory equipment to deal with disorder. Instead of going to a lot of trouble to ensure components are presented to machines in a set way, you can leave the machine to sort out the situation."

He says reductions in costs of jigs and fixtures, tools to keep components in place before presenting them to a machine, can itself justify the cost of the hardware.

Elson predicts will work in GM factories in the 1980s, about half will have vision. Now only a few dozen of its 5,000 robots have vision.

Apart from "seeing" robots, GM has identified 40,000 generic activities in its factories which could benefit from vision hardware. These encompass areas such as the inspection of surface defects, application in assembly operations and machine tool loading.

The car industry is the dominant user of vision systems. In the US, it accounts for about a third of sales. Besides GM, BMW, Volkswagen, BL, Volvo and Ford have started to install vision hardware on assembly lines.

**'Machine vision allows factory equipment to deal with disorder. Instead of going to a lot of trouble . . . you can leave it to the machine'**

systems will slow in the next two years because of a shortage of standardised systems and the difficulty many companies face in committing engineering resources to installing the hardware.

However, she does not doubt the value of machine vision. "The payback time can be quite remarkable," she says, citing greater reliability in production processes and reductions in costs because of fewer faulty parts.

With about 1,000 vision systems, General Motors is one of the biggest users. Most equipment is used for inspection.

Mr Jerry Elson, director of artificial intelligence at GM's technical centre in Dearborn, Michigan, says vision hardware is one manifestation of what he calls "intelligent automation."

This is hardware that works not in fixed sequences but senses changes around it and operates accordingly.

Of the 14,000 robots that Mr

## General Motors is a big fish among a shoal of minnows

THE machine vision industry is made up of many small companies, few of which have a big market share.

### The industry

In the US, the centre of most activity in vision systems, about 100 companies sell equipment. Fewer than 10 have sales above \$10m (\$10.78m) a year. Most have concentrated on niche areas, selling systems for specific jobs such as the application of vision to arc welding.

General Motors has taken a stake of between 15 per cent and 25 per cent in four of the US companies: View Engineering (the industry leader with annual sales of about \$17m), Robotic Vision Systems, Diffracto and Applied Intelligent Systems. GM also has an option on buying a share in Automatic, a fast-growing company in Burlington, Massachusetts, which sells vision systems and robots.

Digital Design of France and ADE Vision of Belgium.

In most equipment, a computer controller and camera costs between \$30,000 and \$70,000. A complete system, which may require several cameras and ancillary equipment such as robots, can cost 10 times as much.

The computer that analyses the pictures is crucial. In the systems of a few years ago, the computers were based on processing chips that analyse information about pictures in a serial fashion. In other words, each pixel (picture element) in the scene is processed one after another.

Such systems are slow. They may perform processing (for instance to determine the edges or centres of objects) in about two seconds.

To be of much help in a factory, this processing time must be shortened, to less than one second. One way to do this is through parallel processing, in which an array of chips performs operations on, say, several dozen pixels simultaneously.

Some of the suppliers have expanded quickly. Robotic Vision Systems, based in Hauppauge, New York, has seen annual sales triple in the past year to \$10m. Machine Vision International, of Ann Arbor, Michigan, has increased annual sales fivefold in two years, to \$10m in 1985.

Europe's much smaller industry is also dominated by small companies. In Britain, companies such as Visual Machines, Computer Recognition Systems, Stonefield and Joyce Loeb (a subsidiary of Vickers) and Meta Machines have established a foothold.

Mr Paul Gregory managing director of Visual Machines, of Manchester, a spin-off of work at Manchester University backed by Rediffusion and American Robot Corporation, says one barrier to selling the technology in the UK is that many managers are not aggressive enough in pushing for the installation of systems.

Other European companies selling vision hardware include Sopenem, Nacet and

Stonefield, based in Horsham, Sussex, is introducing an image processor (based on work at University College, London) that contains 1,024 chips in an array. At about \$100,000, the system will be expensive, but will be capable of processing in one-25th of a second.

Systems for factories must be reliable. Falling to spot even one faulty component in 1,000 could lead to commercial disaster for a company.

To withstand rough handling, the hardware must be robust. Mr Stan Lapietus, president of Itran, a US vision system supplier, says: "You have to build the equipment as if it is to go on the back of a tank."

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## Honeywell opens demo 'factory'

HONEYWELL, the US computer and electronics company, yesterday officially opened a demonstration manufacturing business centre, designed as a mini-factory, at its northern regional headquarters in Cheadle Hulme, Cheshire.

The centre has the functions and stages of a manufacturing unit built into 2,500 square feet: reception, sales, accounts, design, production engineering, industrial engineering, production control and materials control.

Honeywell says visitors will see a demonstration product go through the production cycle, with all information appearing on workstation screens. It says the centre underlines the importance it attaches to the fast-growing manufacturing systems market.

## Detecting and sizing defects

A SPECIALIST service for detecting and sizing defects in materials is being offered by SGS Inspection Services of Aberdeen. The service uses the MDU 2-ultrasonic unit designed by the Central Electricity Generating Board for inspecting nuclear plant. SGS claims it is particularly useful in the application of fracture mechanics.

## Energy saving

MANAGERS in schools and health centres that want to reduce energy costs may be helped by an energy management system introduced by Allen-Morris Conservation of Wolverhampton.

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# THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

## Agencies

### Yearning to go solo

Feona McEwan spotlights three members of the emergent 'new wave'

HOW COME a blue chip advertiser like United Biscuits lands up in a novice agency barely a year old? What attracts high flyer Virgin Atlantic into a virgin advertising agency just three months new? And what tempts Pepsi-Cola International to plump for an embryonic outfit of no very fixed address?

The short answer to why small agencies are being hired by large clients is that they claim to offer something different. More nimble on their feet, less hidebound by established practice in their creative approach; a chance for clients to work with the agency's top talent, and not be hired off to a junior team.

Start-ups, of course, are nothing new. They are part of the natural rhythm of any industry. But since the last major outbreak around 1979-80 when the Wiggins Collins, Gold Greenless, Lowe Howard-Spink and Co burst onto the scene, the status has remained pretty much quo in terms of consequential breakaways. Lately it's been the deaths, mergers and takeovers—with Saatchi absorbing many of the vulnerable—that have made headlines, not the births.

Now a new wave of young agencies appears to be charging through the ranks. Three of the most promising are Still Court Price Twivy D'Souza (Virgin Atlantic's agency), Davis Wilkins (Pepsi-Cola) and Jenner Keating Becker (United Biscuits).

All three were born, in part, of a frustration among their founders, with the shortcomings as they saw it, of the agencies they left behind. At a time when they could have eased themselves into a safe agency seat, the principals chose instead to brave the turbulence of going solo.

What drives them is hunger to test themselves creatively and corporately—each agency started on day one without a single client. They don't have the luxury of established clients shielding new businesses their way or the reputation of proven track records in their current incarnation or the fat of past profits to see them through. It is this adrenalin, they insist, that drives them to deliver their best all of the time.

The adventurous client will take advantage of this energy

and get in on the ground floor of an agency it senses might make the top flight one day. The client also takes risks with untied agencies. Whatever the creative plaudits of the key players, their financial soundness, overall business acumen and the degree of in-depth support they can offer, remain an unknown quantity in the early days.

So what draws the client in? Tim Edwards, marketing director of Pepsi-Cola International (which handles the drinks company's Middle Eastern market) looked to London for an agency that was not too large to handle a regional offshoot of an international group and would make it feel it was an important client. It was also necessary that the agency met Pepsi-Cola's own stringent creative standards.

Hugh Band, marketing director of Virgin Atlantic, chose Still Price for its values. "They are youthful, not afraid to take initiatives, not hidebound by conservatism and traditional thinking. They're hungry. They also produce results fast. Our success depends on speedy reactions and we need an agency that can work to tight deadlines. So many agencies offer wonderful work after days of preparation and then falter at the real deadlines."

United Biscuits marketing director Terry Steward cites chemistry as crucial in agency choice. "Having worked with the JKB team at their previous agency, we knew their calibre. And we were impressed with their stance on future consumer trends, which is something that we are passionately interested in."

In name alone, Still Price Court Twivy D'Souza could only be an agency. "Like the cast list of Ben Hur with all the extras" is how one client describes the agency that says it has the silliest name in town. The principals, all formerly with the admired Hedger Mitchell Stark, spurned board directorships and vast salaries to do their own thing after their agency's takeover by the Saatchis. In 12 months they gained £3m of billings.

They are a refreshing lot. With an average age of 27 they are producing ads that are among the most original around, often spiced with a potent twist of zany humour (Twivy

writes scripts for the likes of the Spitting Image TV show in his spare time).

The Krups food mixer ad is a fine example. A startlingly simple idea, it shows the mixer going through its paces making "... a rock cake. "Take 6 lb cement, 1 pint of water, 3 lb gravel and mix for 20 minutes." The result, a leaden cake, plops with a thud on to the table. "Concrete proof," says the voice-over "that Krups makes light work of the heaviest mixtures." Sales of Krups have subsequently risen by 300 per cent.

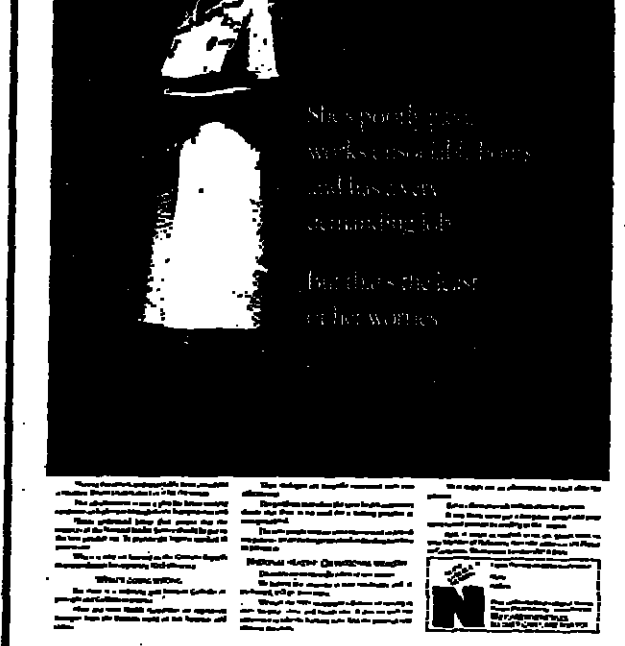
"Every ad must have a strong central idea," says Twivy, who is dismissive of what he calls "endless interchangeable rubbish" put out by many agencies to mask a poor idea. "In the same way that if a song /rks on plain guitar it'll be great with full backing, so with ads. Unless you have an exciting idea before you dress it up, it's probably failed the client."

With not a lot to prove in terms of personal achievement, Davis Wilkins made perhaps the most surprising debut of last year. His pedigree is convincing enough. Tim Davis and Chris Wilkins together have 36 years of experience in the industry, eight of these together as chairman and creative director respectively of one of the biggest agencies around, Young and Rubicam.

Wilkins is regarded as one of the industry's best thinkers, doers, motivators and commentators. Behind him lies a trail of winners, such as the Pepsi "longword" commercials and the Jeeves and Wooster ads for Croft Original sherry and a track record of top agencies—J. Walter Thompson, Saatchi, Boase Massimi Pollitt and Y & R.

Davis joined Y&R straight from Oxford University as account junior and left as chairman with a name for hard-nosed business acumen.

Growing disenchantment with the implications of Y&R's American-driven obsession with global advertising and global advertisers was a strong factor in the decision to split. Davis found himself at odds over the relative importance of national advertisers whom he felt were in danger of being upstaged by the giant global companies which ultimately brought in



One of a series by Still Court Price Twivy D'Souza

more money. "Gradually, says Davis, "we had encounters with intelligent and ambitious UK clients who would not go near any large global US agency." Wilkins adds: "We found that the calibre of client we were keen to work with was increasingly not looking at the kind of agency we were in."

So in June Davis Wilkins was born. Boase Massimi Pollitt holds a 24.1 per cent shareholding—its share price jumped 30p to 86p on the day the deal was announced—though on the creative and media fronts the two agencies remain rivals.

"Responsible originality" is how Wilkins sums up the agency's quality. "We suspect there is a growing number of clients who do not want more unusual, riskier creative work. We can provide not just the reassurance of responsible advertising but the fact that we have the experience not only to know a good idea but to weed out dangerously wrong ones."

Clients include Sabre fashions, GT Unit Trusts, Pepsi-Cola International, Ferrero, Early's of Witney, National Society for Cancer Relief, and Matrix, the building societies' electronic funds transfer scheme.

## US video market

### Studios push for sales

Frank Lipsius explains a shift in cassette marketing strategy

"THE US is two years behind the UK in terms of vcr (video cassette recorder) penetration," says Tim Baskerville, the publisher of the newsletter, Video Marketing. America was late to join the video bandwagon because consumers did not rent their vcrs but waited to make the bigger investment in buying them. Despite the late start, the willingness to buy vcrs has made the programme suppliers, led by the two Hollywood film studios, anxious to get consumers to buy and not just rent cassettes.

Long afraid that home video would supplant, rather than augment, box office revenues, the studios helped get video cassette sales up by 58 per cent to a robust \$950m (\$690m) in 1985, according to estimates by the Fairchild Group, an industry research organisation. With rentals more than doubling in 1985, from \$1.76bn in 1984 to \$3.6bn, the combined rates and rentals revenue last year doubled to \$4.55bn, compared with a 12 per cent decline in box office revenues to \$3.75bn, the first year home video exceeded box office income. At MCA's Universal Pictures, for instance, distribution president William Soady estimates that domestic theatrical revenues accounted for 28 per cent of income in 1985 while the domestic video cassette business accounted for 47 per cent.

Vcr penetration in American households did not exceed 30 per cent by mid-1985, so the studios are convinced there is still extensive growth left in the video cassette market. Besides counting on a further increase in sales of vcrs, they are making a concerted effort to turn cassette renters into buyers, a process that begins with lower prices but also encompasses several other marketing moves which will determine the long-term viability of the home video market—and the Hollywood film studios.

Already Americans have bought hundreds of thousands of old non-copyright films from mass merchandisers like K mart for \$19.95 and less. Paramount pioneered bargains for more recent films, bringing retail prices down to \$25 for 25 titles in the 1984 Christmas season. Executive vice president Bob

Kingsmith reckoned he might have sold 5m units of the Christmas promotion, which set a price just at the level the package could be deducted as a business gift. In fact, Paramount sold only 1.4m because of the inability of its duplicator to keep up with the orders.

While lower prices are the most obvious way to encourage sales, most studios are reluctant to go below the standard \$79.95 per cassette because they reckon it takes a disproportionate increase in sales to make the same profit at lower prices. But as they are forced to maintain their supply of product, all the studios release titles at lower prices. MGM/UA recently announced a promotion at \$29.95 for a dozen films including 2001: A Space Odyssey, Embassy is doing the same for major titles like The Exterminator.

Thanks to the lowered prices—and hits—like Flashdance, An Officer and a Gentleman and Terms of Endearment, Paramount puts out only 14 per cent of all video titles while taking 15 per cent of the market share and 10 per cent of the industry's dollar volume.

## Cinema release

Another of the marketing strategies is to take advantage of reviews and advertising for the original cinema release in the US by getting the video to market as soon as possible. First distributed to cinemas in May 1985, Rambo, First Blood Part II noted in its advertising that the video would not be released until 1986. It has now come out with an unprecedented initial sale of 427,000 units at \$79.95, while it is still playing in American cinemas.

Nick Santrinos, the president of Thorn-EMI/Video which put out the Rambo II cassette, says that six months is a standard contractual lead time between theatrical and cassette releases. Films that do not do well in cinemas often get quicker cassette release, while phenomena like Rambo II enjoy simultaneous promotion in the two formats.

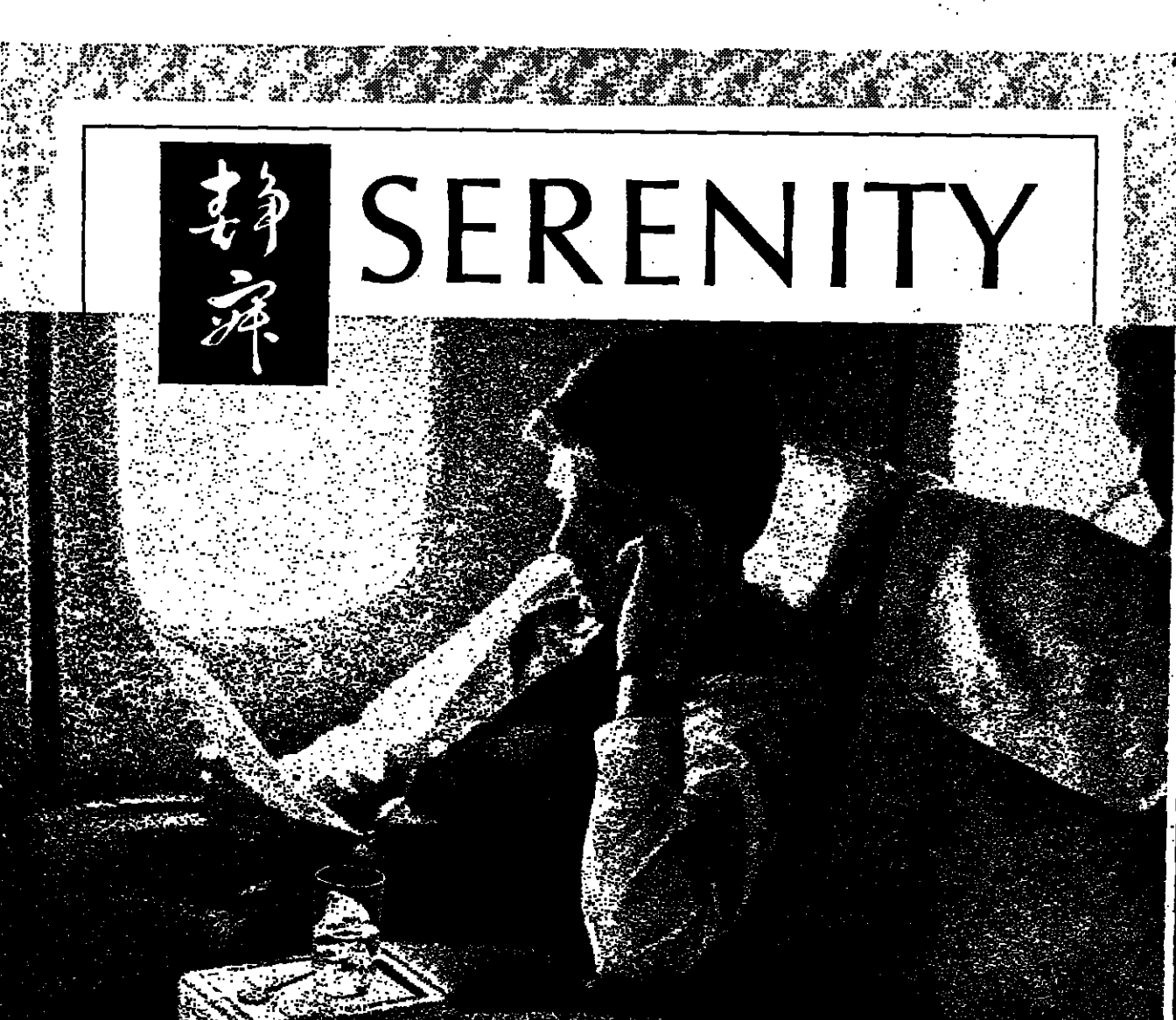
Home video companies are also pushing retailers to get on the outright sale bandwagon. The retailers' trade group, the Video Software

Dealers' Association (VSDA), made the theme of its summer convention, "SeiLabration," but in discussions between retailers and suppliers, the shop owners deprecated the small mark-up and high inventories required to achieve sales.

Meanwhile, competition has steadily forced down cassette rental charges. Once ubiquitous "clubs," which built loyalty (and, at \$50 a year, income), have declined while rentals may be as little as \$2.50 and or even \$1 or two-for-one. For a growing business, video retailing is experiencing a high casualty rate. Out of a relatively steady total of some 5,000 retailers, 6,000 are projected at any one time, with 3,000 going in or out of business each year.

The major video suppliers are also gradually revamping their distribution channels, a move that may ultimately help them reduce wholesale prices while retaining profit margins. Only four years ago, when home video in the US was still synonymous with pornography, the studios cancelled their low-volume video sales largely through former local and regional record distributors (which had excess capacity because of vertical integration among the large record companies). Vertical integration is now beginning to happen among the video companies. Major studios like MCA-Universal and Warner Bros have record branches through which they have already started selling videos. Twentieth Century Fox and Columbia teamed up with record distributors CBS and RCA, respectively, to have access to the record companies' national wholesaling networks.

CBS/Fox announced at the last VSDA convention that it would begin to sell direct to mass merchandisers, leaving distributors to fight over smaller accounts. The suppliers' repositioning has thus far occurred in an environment of a sellers' market, where a limited production capacity keeps major releases rationed among distributors and retailers. Vertical integration will help the studios control the supply of films when manufacturing catches up with demand.



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New Issue January 30, 1986

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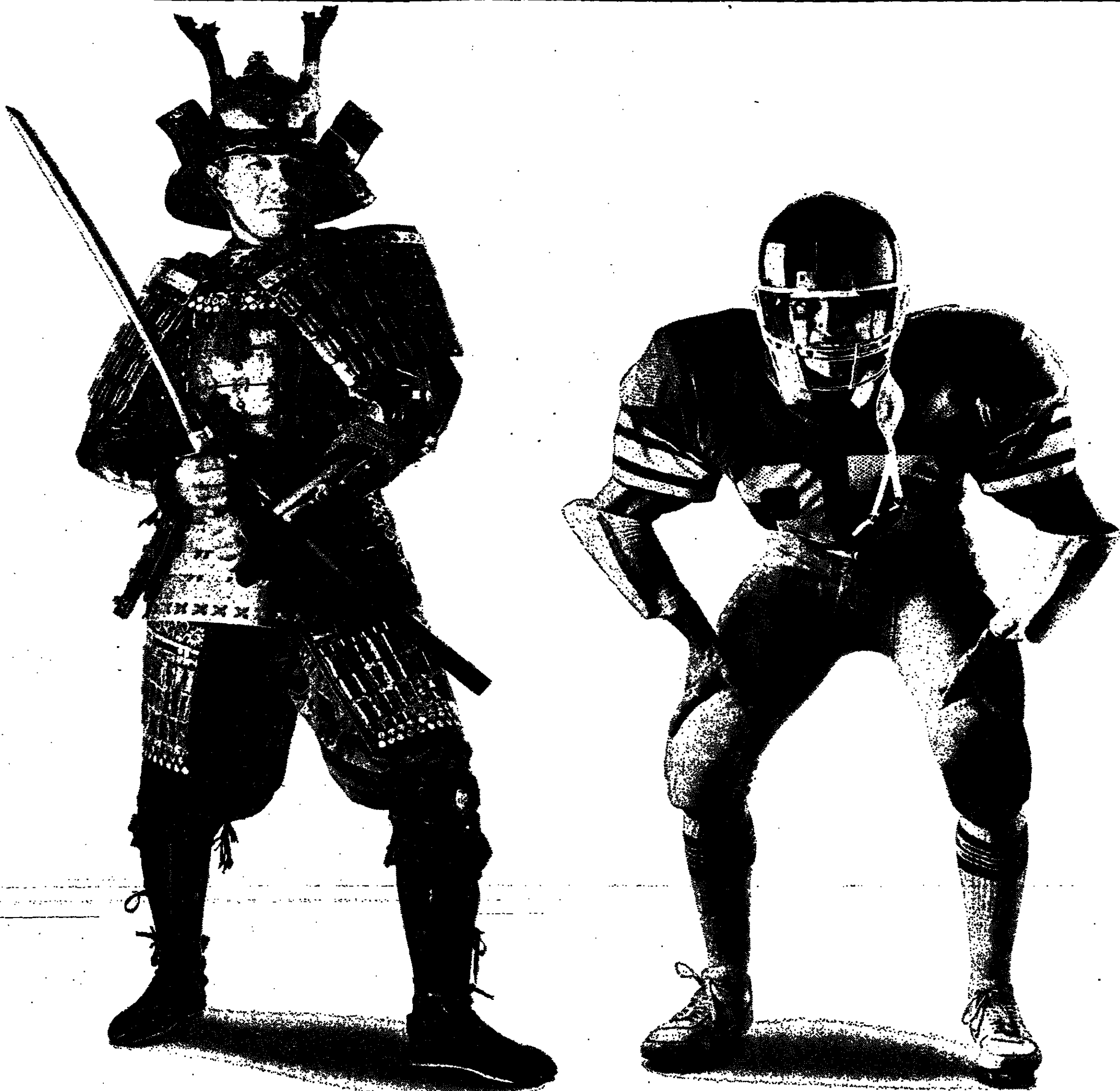
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هكذا من الأجر





# IT WILL TAKE OUR COMBINED STRENGTH TO DEFEAT ADVERSARIES SUCH AS THESE.

The international drinks industry is the lair of titans.

Anheuser Busch, Seagrams, Kirin, Suntory. These are the giants that will be fighting to dominate the drinks business in tomorrow's world.

And as each has its own thriving domestic brands, they won't be wearing Scotland's favours in battle.

So, if Scotch Whisky is to continue to compete, it needs a strong champion of its own.

It is for this reason, more than any other, that our offer for Distillers makes so much sense.

Our joint enterprise will give Britain a representative amongst the top four of the international drinks business.

It is also a rare dovetail of corporate talents.

On the one hand, Distillers have an unrivalled range of world famous brands.

On the other, we at Guinness have a management team with unrivalled experience in the international marketing of prestige drinks.

By careful targetting we can position our household names to complement one another, rather than compete.

Britain's recent industrial history is a catalogue of international opportunities missed.

Help us redress the balance. Support the Guinness Distillers bid.

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**WATCH OUT JAPAN,  
HERE COMES SPIKEY DODDS**

Spikey Dodds is a typical British sixteen year old, leaving school this year.

But to Japan, and our other international competitors, he's a big threat.

That's because this year he'll be starting 2 years paid

skill training on the new YTS.

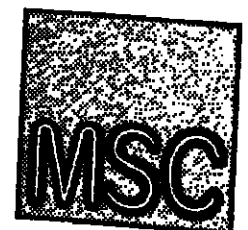
He'll begin his course by trying out several different skills before he chooses the one he'll train for through to the end of the second year.

By then he'll have a skill, a certificate to prove it, and a better chance of getting a job.

Our competitors in the Far East and Europe have been training their young people like this for years.

It's made them more efficient and more productive and it's helped them take trade away from us. But from now on they're going to have to watch out.

Spikey will be spending the next two years learning how to take trade away from them for a change. Along with about 360,000 other ambitious British school leavers.



**TRAINING FOR SKILLS. THE NEW 2 YEAR YTS.  
NOW 16 AND 17 YEAR OLD SCHOOL LEAVERS CAN EARN WHILE THEY LEARN**







Time to phase out the MFA

THE EUROPEAN Community is having difficulty hammering out a joint negotiating position on the future of the Multi-Fibre Arrangement (MFA).

Minimal The UK negotiating stance is surely a minimal one. It would be the greatest hypocrisy for the EEC to enter a new round of multilateral trade talks stressing the threat that protectionism poses to global prosperity.

Imbalance in the dairy market

SIR STEVE ROBERTS, the farmer politician who is chairman of the Milk Marketing Board of England, Wales, and Northern Ireland, was swift to congratulate himself this week, following publication of the long-awaited Touche Ross report on the MMB's commercial activities.

Complaints It is not clear that this is what the report will do. It severely criticises Dairy Crest's financial performance; it questions whether the company could have borrowed as much as it has to finance its investment programme over the past few years if it were an independent commercial undertaking; and it effectively accuses the MMB of keeping the prices it charges dairy processors too high in order to favour the dairy farmers who own it.

Competition Breaking the board up into smaller units or abolishing its position as monopoly supplier might help a string of regional co-operatives, like those on the Continent, would be freer to price milk in a less monopolistic way than the present structure.

Switch back THE REASON British Telecom was so keen to get its hands on Mitel, the Canadian telecommunications company, was to plug into all that sophisticated switchboard technology.

FRANCE has had such a long history of short-lived governments and constitutional instability that it is with a mixture of fear and fascination the French are now watching the unfolding of a political battle which seems likely to dominate the domestic horizon for the next year or two.

Mutual suspicion means any new relationship will be tense. The recent climb in popularity of the Socialists in the public opinion polls has injected some uncertainty to the results of the parliamentary elections on March 16.

Argentine's diplomatic move The recall of Argentina's ambassador to the UK, Lucio Garcia del Salar, for "special diplomatic duties" in Buenos Aires, is intriguing those looking for improvements in Anglo-Argentine relations.

Genteel poverty Bath university seems to have won a Brussels jackpot with a 51m grant from the EEC to study projects for tackling poverty in Europe.

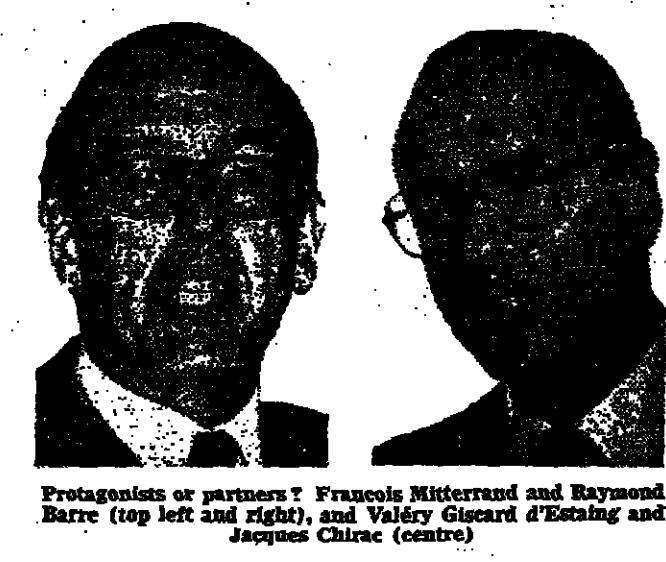
Sales sky high A new way of boosting your product to the skies. The Trustee Savings Bank in the Channel Islands, and a local airline, Airway Services, have done a five-year deal so that one of the company's Tristar aircraft can carry the slogan - Go ISS.

Commercial art The dividing line between art and commerce was stretched almost to breaking point in Milan yesterday when Montedison, the leading Italian chemicals group, staged a conference to pay tribute to the late author, Italo Calvino.

Pardon Sign in the window of an Istanbul restaurant: "Turkish we are, Turkish we eat. Visit us once, you are sure to repeat."

Observer

After March power could be shared between a President and a majority of the National Assembly who are in opposing political camps



Protagonists or partners? Francois Mitterrand and Raymond Barre (top left and right), and Valéry Giscard d'Estaing and Jacques Chirac (centre)

THE FRENCH ELECTION A new test for the constitution

By David Housego in Paris

ambiguous on the balance of power between the President and the Prime Minister - with a legalistic reading of the text at odds with what has been the normal practice under the Fifth Republic.

Men and Matters handle 60 calls at once. This is clearly a small fraction of the capacity that would be needed to run four newspapers.

Mouse-trap The Safeway supermarket in Jeddah has new ended a sales promotion after offending Islamic custom by dressing some members of its staff in Disney costumes.

Commercial art The dividing line between art and commerce was stretched almost to breaking point in Milan yesterday when Montedison, the leading Italian chemicals group, staged a conference to pay tribute to the late author, Italo Calvino.

Pardon Sign in the window of an Istanbul restaurant: "Turkish we are, Turkish we eat. Visit us once, you are sure to repeat."

country on ground of his choosing. "Hopes for a peaceful 'cohabitation' were based on the belief that neither Mr Mitterrand nor Mr Chirac had an interest in unleashing a constitutional crisis that might rebound against them and that both had reasons against advancing the Presidential elections.

Both the RPR and the UDF, which are campaigning on a joint election platform and have pledged to govern together, thus believe they will be in a position after March to carry out their programme of privatisation, anti-inflation and to implement their economic policies.

Most humiliating for the President may be the U-turns forced on him

active." He has approvingly endorsed Mr Chaban-Delmas comment that it is up to "the President to preside and the government to govern."

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IT IS idle to pretend that the subject matter of this article is bound to fascinate every...

The question of whether UK policy should be determined by the obligations of EMS membership...

The case for Nominal GDP has been starting one in the face ever since the money supply...

One of the arguments for a Nominal GDP objective is that it focuses attention on the regulation of total national spending...

By focusing on aims, the Nominal GDP approach allows the Treasury and the Bank flexibility in their choice of means.

The Government is then able to watch as many definitions of the money supply as it likes...

Most important, a Nominal GDP approach allows macro-economic policy to focus on a relatively simple objective...

The Treasury has by no means discouraged me from using minimal GDP objectives...

A Nominal GDP path is now projected in the Budget Day 'Red Book'.

But the Treasury has never so far been prepared to take the final step and state its Medium Term Financial Strategy in terms of Nominal GDP...

Economic Viewpoint

Inside EMS, nominal GDP does not just disappear

By Samuel Brittan

City economists over M0 (which could then retire to serve as one worthy foot soldier among many).

One reason for its reluctance is an excessive preoccupation with the short-term and national income statistics...

Not only would it be difficult to regulate Nominal GDP on a quarter-to-quarter basis...

Nevertheless, a Medium Term Financial Strategy based on Nominal GDP is monetarist in flavour...

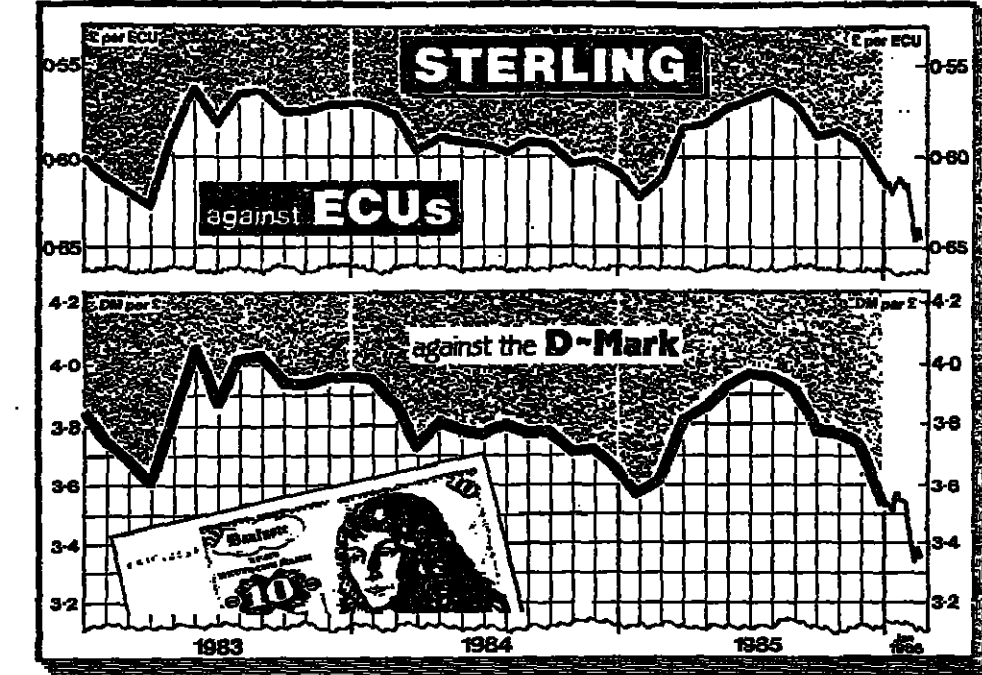
The success of any financial strategy depends vitally on expectations (not 'rational expectations' just expectations).

dreaded choice between stopping expansion in its tracks and financing inflation. One can see this dilemma creeping back in the results of the latest CBI Survey.

It was the political ballyhoo surrounding the last Autumn Statement that convinced me after many earlier episodes of this kind...

An exchange rate commitment, although not a cast-iron guarantee, would be less exposed to failure of nerve or opposition.

In contrast to a Nominal GDP objective, an exchange rate commitment focuses on the price level directly. To be more precise: if sterling is tied to any currency bloc...



Bar Hutzler

appreciated by 3 per cent per annum since the inception of the EMS in 1973 and the French franc depreciated by just over 1 per cent per annum.

The expectations factors in EMS membership are similar to those involved in a credible domestic financial strategy.

The French rate of inflation is now less than the British, largely due to the EMS; and the performance of output and employment has been slightly better.

In previous articles, I have tried to dispel the illusions of the more strident-eyed EMS supporters. The Bank of England would still need to raise interest rates when sterling's EMS parity was threatened.

As for the rest: any further real depreciation due to still lower oil prices would have to be accomplished more by lower UK inflation...

Because Germany has a negligible inflation rate, and the average EMS inflation rate is also pretty low...

But because of the more decisive signals given by a pegged exchange rate than by present or likely modes of domestic policy presentation...

The main mechanisms for maintaining the EMS parity would be monetary and interest rate policy (not intervention or lending, wishful thinkers please).

diverge, as even the Americans are discovering. Much more important is the fact that, if every country only has an exchange rate objective...

If the D-mark is the reference currency, then Germany at least needs a demand management policy as well as an exchange rate one.

There are unresolved questions. Should the Bundesbank determine its monetary policy in relation to German Nominal GDP or the Nominal GDP of all full EMS members?

I have two final questions. Why do the 'wet' critics of British Thatcherite policies want Britain within the EMS...

The supply of money

From Professor I. Pearce Sir—To argue that... the growth rate of money GDP should be the basis of policy...

Unfortunately, exactly the same may be said of Professor Beenstock's own proposal to 'control' M0. The problem is not that we do not know what it is we want to control...

To banish inflation overnight and to stabilise foreign exchange rates all that is necessary is to define the unit of money in terms of a basket of commodities...

No government or central bank controls would be necessary, nor, for that matter, any monetary policy.

Anyone who thinks that this solution is politically unattainable, should reflect upon the fact that, so far as UK is concerned, the only time during the past 2,000 years that the two conditions of the market just mentioned were between 1820 and 1820...

To restore sanity in today's money markets would involve very little disturbance in present institutions. The revolution, when it comes, as it must, will be more in what we believe than what we do.

Some factors cancel out From Mr K. Wallis Sir—I am perplexed by the opening paragraph of Samuel Brittan's 'Great oil-sterling trade-off' article on January 27.

A 30 per cent fall in the price of a 5 per cent component of

Letters to the Editor

GNP reduces the nominal value of GNP to 98.5 per cent of what it would otherwise be.

These factors cancel out and return us to the commonsense conclusion that a change in relative prices only affects the growth rate of real income to the extent of its impact on the exchange rate.

K. H. Wallis, 80 Ely Place, ECI.

Oil-sterling trade-off From Mr G. Horton

Sir—Samuel Brittan's piece on January 27 starts with the claim that, since oil represents 5 per cent of GNP...

Oil does differ from construction in 5 per cent of GDP. Oil does differ from construction because we are substantial net exporters of oil...

Several other influences are also at work when the oil price falls, notably the accompanying exchange rate depreciation and the rise in world activity and trade...

Samuel Brittan writes: The direct primary welfare loss from a 30 per cent fall in the price of oil is 30 per cent of net oil exports...

Hong Kong was selected as a reference point for the simple

reason that it is a market which is free of trade distortions. Prior to using Hong Kong data the product composition of imports into the UK and Hong Kong was found to be strikingly similar.

As we explained in the report there are various reasons why our estimate that voluntary export restraints (VERs) raised the price of footwear in the UK by 13 per cent was probably an understatement of the actual price-raising effect.

Mr. Calvert's support for this proposition is precisely what we need. As anyone familiar with the economic theory which Mr. Calvert derides as 'wearsome' and 'supposedly relevant'...

DAVID GREENAWAY, University of Buckingham, Buckingham.

Tender loving care From Mrs C. Russell

Sir—Surely I'm not the only person who hand-washes silk ties. ('Every tie tells a story,' Weekend FT, 25th Jan 86).

Retrieving a filthy silk tie from the dustbin recently, which had been discarded by my son who was obviously too embarrassed to take it to the cleaners...

Eric T. Parker, PO Box 25, 63, Lincoln's Inn Fields, WC2.

Voluntary export restraints From Mr D. Greenaway

Sir—Mr. Calvert of the British Footwear Manufacturers' Federation questions (January 23) aspects of the results of our recent Trade Policy Research Centre report in drawing attention to the problems of differences in the quality of exports of footwear from Taiwan to alternative markets...

The Army can help educate your offspring. In more ways than one.

The Army needs well educated Officers and we're prepared to help bright people up the ladder of success.

A way to 'A' levels. We will help boys and girls who have the qualities of potential Officers while they study for 'A' levels, with a grant of £250 a term.

When they pass their 'A' level exams they're guaranteed a place at Sandhurst and paid the going rate while they're being trained.

WHAT IS REQUIRED TO GET A SHOT AT A 2 YEAR ARMY SCHOLARSHIP. Interviews are held in the Spring and Autumn for boys, and just in the Autumn for girls.

However, this doesn't preclude university. Boys who are already embarked on 'A' level courses in Maths and the sciences can apply for one of the thirty Science Scholarships we award each Spring.

Another way. Boys who are already embarked on 'A' level courses in Maths and the sciences can apply for one of the thirty Science Scholarships we award each Spring.

The object is to help potential Officers on their way to a career in one of the Army's technical corps with a scholarship for one year at £250 a term.

When they complete their 'A' levels they too are guaranteed a place at Sandhurst.

And yet another. If you have a technically minded son between the ages of 16 and 17½ and he can meet the requirements for a Science Scholarship (see box) he could be eligible for Welbeck.

WHAT IS NEEDED TO GET A 1 YEAR SCIENCE SCHOLARSHIP. The applicant must have excellent grades in 'O' level Maths, Physics, English and at least two other subjects.

Welbeck is an exclusive, residential, 6th form college in the Nottinghamshire countryside run by the Army. The curriculum is designed to equip students for careers as Officers in the technical corps.

On the other hand, if your son or daughter is already reading for a degree, he or she could apply for a Bursary. This amounts to £900 a year, is tax free and additional to any education authority grants.

It is intended to help people who want careers as Army Officers to complete their degree courses. Applicants have to meet the challenge of the Army's three-day Officer Selection Board.

On graduation Bursars also do the seven months Officer training course at Sandhurst. On completion of which they can take up either a 3 year Short Service Commission or a Regular Commission.

Lombard

Charity begins at Somerset House

By Michael Prowse

AT LONG last the Thatcher Government is showing signs of appreciating the virtues of the doctrine of 'fiscal partiality.'

A group of senior ministers has written to the Treasury (always the last to hear of intellectual revolutions) arguing that personal donations to charities should be tax deductible.

This is a brilliant stratagem. In fact, fiscal partiality requires the deductibility of almost everything dear to the middle-class heart from private health and education expenses to interest on all personal loans.

But stick-in-the-muds unfamiliar with the finer points of economic theory will always object to wholesale tax reform. Far better to go slowly, to make first for the deductibility of those items (such as charitable donations) for which support is likely on grounds of general benevolence.

It is surprising that ministers have taken so long to assimilate the doctrine of fiscal partiality which in the US has been raised to the status of an art form. The doctrine's virtues have long been taken for granted by academic economists.

The trouble may have lain in the difficulty of translating their abstract mathematical arguments into English plain enough to be understood by ordinary politicians.

Proponents of fiscal partiality have had to put to rest numerous misconceptions about the purpose of the tax system. Taxes were once regarded as no more than a necessary evil: the undesirable but unavoidable concomitant of public expenditure.

Nowadays, economists know better: as the Institute for Taxation Studies (ITS) has pointed out, the essential tenet of fiscal partiality is that the tax system should always and everywhere seek to interfere with the decisions of individuals and companies.

For as bluntly as this, the doctrine tends to attract ill-informed criticism. Surely, some have argued, people if left to make their own decisions will sometimes get it right: the Inland Revenue should not always seek to introduce a bias.

This misses the point. Nobody argues that the private sector, if unaided, always gets it wrong. merely that this is normally the case. To back up its mathematical analysis, the ITS points to the number of individuals and companies now seeking professional advice—unmistakable evidence of their personal fallibility.

The simpler and surely unanswerable justification for fiscal partiality is that it allows politicians to promote those Good Causes that sometimes escape the public's notice. Opera is a case in point. The fact that the public will not pay for it has long been regarded by facile thinkers as evidence that the public does not want it; even worse, as evidence that it is not a Good Cause.

Charitable donations provide a more important example. The level of contributions in the absence of tax deductions is clearly no guide to the amount people actually wish to donate. Every decent person agrees that more should be given to charities—not just to those that do essential humanitarian work in the Third World, but to all those fringe religious sects that have such a hard time.

Even opponents of fiscal partiality can surely see the glaring flaw in existing arrangements: unless we go through the palaver of a covenant, when we give to charity we have to make a sacrifice equal to the resources we transfer. This is carrying individualism and honesty to absurd lengths. The great virtue of tax deductibility, as the senior ministers doubtless told the Treasury, is that it would enable us as individuals to show more compassion, yet sacrifice less: it would obscure the real economic cost of our actions.

If I wish to promote a Good Cause by the donation of £100, only a Scrooge could argue that I should find all the cash myself: tax deductibility allows me to draw a £30 contribution from the rest of you (for a given level of public spending all deductions have to be made good by higher taxes elsewhere).

With luck, charities will be the first to take advantage of the advantages of fiscal partiality: they are better understood, the doctrine should prove irresistible.

Can we help you? Write to Major John Floyd, Army Officer Entry, Dept F612, Empress State Building, Lillie Road, London SW6 1TR.

Tell him your son or daughter's date of birth, school and academic qualifications and we will clarify and expand on what we have to offer.

Army Officer





EXPRESS NEWSPAPER GROUP ANNOUNCES RADICAL PLAN TO CUT JOBS

New front in Fleet Street battle

BY RAYMOND SNOODY IN LONDON

THE FLEET STREET revolution reached a new stage yesterday as another British newspaper group outlined a cost-cutting scheme that would have been inconceivable until recently.

United Newspapers announced a plan to cut 2,500 jobs at the Daily Express, Sunday Express and the Star. The first two were the flagships of the Beaverbrook press empire until their sale in 1977 to Trafalgar House, the British property, shipping and construction group.

The Star began publication in 1978, and Trafalgar House subsequently floated off the newspapers as a separate company, Fleet Holdings.

The job cuts are part of a package that includes a five-day week for all staff (an increase from 3 1/2 days or four days in many cases) and a document that gives management "the right to manage".

Mr David Stevens, chairman of United Newspapers, emphasised yesterday that the intention was to negotiate with the unions to cut down on the 6,800 people who work for Express Newspapers.

The redundancy plan has been expected since Mr Stevens took over Fleet Holdings for £317m (\$444m) in October.

Britain's Labour Party yesterday announced a boycott of all newspapers and journalists associated with Mr Rupert Murdoch's News International, which is publishing its titles despite a strike by the country's leading print unions.

The company says it hopes the cuts will come from voluntary redundancies, early retirement for staff older than 50 and no automatic replacement of staff who leave.

A further 900-1,000 jobs might also go after the effects of all staff working a five-day week have been assessed. The aim is to reach agreement with the unions by the end of March.

United believes the speed of change in Fleet Street makes its cost-reduction measures a matter of survival.

Mr Rupert Murdoch's News International has moved its four newspapers The Times, Sunday Times, Sun and News of the World, to a new printing plant in Wapping, east London. The newspapers are

In return for a five-day week, United says it plans to give its printers a 5 per cent pay rise instead of the 3.5 per cent previously intended.

It is clear that United plans to continue a policy of gradual cost savings and to introduce new technology.

Direct inputting of copy by journalists is also likely to be considered later in the year but is not part of the present negotiations.

The plan will cost United an estimated £40m in redundancy payments and pension improvements.

Several hundred printing jobs are at risk at Express Newspapers in Manchester because of a threat by News International to cancel its contract to print 2m copies of the News of the World there.

Mr Bruce Matthews, managing director of News International, said yesterday that if Express Newspapers did not print a 48-page paper this weekend the £2m a year contract "will be gone forever".

Any job losses that result from a cancellation of the contract would be in addition to the redundancies already being sought by United Newspapers.

News analysis, Page 7

Tin crisis foreseen in 1984, LME says

By Stefan Wagstyl in London

THE BANK of England warned the London Metal Exchange (LME) that it was concerned about the tin market 18 months before the tin crisis erupted in October, MPs in London heard yesterday.

Mr Jacques Lion, chairman of the LME board, told the House of Commons Select Committee on Trade and Industry: "In the 18 months before the collapse, the Bank of England was somewhat concerned about it and talked to us about it."

The committee is holding an inquiry into the tin crisis, which arose when the International Tin Council, a price-support pact between tin producer and consumer countries, ran out of money, owing hundreds of millions of pounds to banks and to brokers of the LME, the world's leading metals market.

Mr Lion disclosed the Bank of England's concern when he was being questioned about whether LME brokers should have seen trouble emerging in the tin market and done anything to prevent it.

He said the LME had had "no idea" of the size of the problem. Brokers who had asked the Tin Council about its finances had been "fobbed off" with assurances.

Mr Lion said the LME had rules to prevent manipulation of the market - but they could only be applied to its members (brokers) and not to a client, such as the Tin Council, Mr Lion said. However, Sir Peter Emsley, a Conservative member of the select committee, criticised the way the rules had been enforced.

Mr Lion was asked whether the LME, where brokers deal directly with each other as principals, planned to introduce a clearing-house system such as is used in other financial markets to guard against the risks of inter-broker defaults. He said there was "a very strong possibility" that the LME would have to have a clearing house under the terms of the Government's Financial Services Bill.

Meanwhile, the 22 members of the Tin Council, which reconvened in London yesterday, look set to start negotiations with their creditors tomorrow afternoon. They have agreed in principle to negotiate on a broker-banker rescue plan that calls for setting up a new company to take over the TFC's assets and liabilities.

About 500 Cornish tin miners marched through London yesterday, calling on the Government to provide cash aid for their industry.

Stagnant US productivity puts damper on supply-side hopes

BY STEWART FLEMING IN WASHINGTON

NON-FARM business productivity in the US stagnated in 1985, the Labour Department reported yesterday.

That cast further doubt on the contention of supply-side economists that the boost in capital spending in the early stages of the current economic upswing presaged a reversal of the weak productivity growth that characterised the US economy in the 1970s.

Experts in productivity estimates point out, however, that annual data tend to be heavily influenced by short-term trends in the economy and that it is still too early to draw conclusions about long-term productivity trends.

The data released yesterday is nevertheless discouraging. As well as stagnating for the year as a whole, fourth-quarter business productivity registered its sharpest decline for four years and productivity in the non-farm business sector declined 1.8 per cent.

As a result of the stagnation in productivity, the 3.7 per cent rise in unit labour costs in 1985 was almost equal to the 4 per cent rise in hourly compensation. Some economists are arguing that if productivity trends remain weak in 1986, inflationary wage pressures will be harder to contain.

In 1985, according to the Labour Department, employment costs rose more slowly than at any time

in this decade. The department's cost index, which measures wages and benefits in all private industry, increased 4.5 per cent last year, down from 5.2 per cent in 1984.

A Bureau of Labour statistics report concluded this week that first-year wage increases in major collective-bargaining contracts averaged 2.5 per cent last year, and increases for the life of the contracts were 2.7 per cent, the lowest rises since the series began in 1968.

The US Treasury cancelled yesterday's testimony on economic policy by Mr James Baker, the Treasury Secretary, who had been scheduled to appear before the Congressional Joint Economic Committee.

Shareholders back Goldcrest survival plan

By Raymond Snoddy in London

A SURVIVAL plan for Goldcrest Films and Television, the financially troubled UK film company, received the full support of all its shareholders at a meeting yesterday. The plan, which gives the company a tentative foothold in future film production, was backed by the principal shareholders a week ago today.

The main shareholders are Pearson (publishers of the Financial Times) which has a 41.2 per cent stake; the Coal Board Pension Fund; and Electra Investment Trust.

The British film industry has rallied round to support the company, which became a symbol for the renaissance of British film making. But the financial position is still difficult. It is believed that there will be a write-off of £20m (\$20m) on current films - half accounted for by Revolution, about to open this week in the UK. The film overran its £16m budget by £3m and had a disastrous reception in the US market.

In future the production side of Goldcrest activities will be separated from sales and distribution. At the very least they will operate as separate profit centres and possibly become legally discrete entities for tax reasons.

But as Mr Jake Eberts, Goldcrest chief executive, yesterday began planning the move to more modest offices more in keeping with present circumstances, he was relatively optimistic.

News analysis, Page 9

Dublin in cautious shift to indirect taxation

BY HUGH CARNERY IN DUBLIN

THE IRISH Government yesterday introduced a cautious budget which shifted emphasis from direct to indirect taxation.

Mr Alan Dukes, the Finance Minister, said the measures were intended to continue his efforts to reduce the public debt burden without deflating the economy.

Spending cuts totalling £55m are to be introduced to help bring down the current budget deficit to £1.25bn (\$1.5bn) or 7.4 per cent of gross national product, in 1986. This compares with a £1.28bn deficit and an original target for this year of 6.8 per cent of GNP.

The exchequer borrowing requirement is set for £2bn, or 11.6 per cent of GNP, down by about 1 per cent of GNP from last year.

Mr Dukes scrapped a 1 per cent income levy, cut the highest of three income-tax bands to 58 per cent from 60 per cent and broadened the standard 35 per cent band.

He raised the standard rate of value-added tax (VAT) by 2 percentage points to 25 per cent. It had been cut from 35 per cent in the 1985 budget.

After complaints by hotels and restaurants, however, Mr Dukes reduced VAT on meals to 10 per cent in an effort to improve the country's

tourist trade. VAT for a range of labour-intensive service industries such as dry cleaners and cinemas was also cut to 10 per cent.

From April, bank and building society deposits will be taxed at source through a 35 per cent withholding tax. Companies may offset this against corporation tax and bona fide non-resident accounts will be exempt.

Tax-relief advantages of life assurance companies are reduced by the imposition of a 15 per cent levy on gross investment income and surplus on realisation of investments.

Tax-based lending schemes under which banks are not liable to corporation tax on interest will be subject immediately to a 12 per cent duty on interest.

Mr Dukes had little to offer industry in the way of incentives. Personal investments in research and development can now be written off against income tax, there will be a reduction in tax on dividends from companies qualifying for special 10 per cent corporation tax rates to encourage more local investment in such companies and the rate of tax on longer-term capital gains is being reduced from 45 per cent to 35 per cent.

UK to cost Nimrod alternatives

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

MR GEORGE YOUNGER, the UK Defence Secretary is expected to ask the Cabinet next week for permission to examine alternatives to the controversial and costly Nimrod early warning aircraft.

The project is thought to have cost £1bn (£1.4bn) already and the aircraft is now three years late entering service, mainly because of cost overruns and technical problems with the complex radar and electronic systems, being developed by GEC Avionics.

Mr Younger is under pressure from the Royal Air Force to examine alternatives since the avionics system falls far short of its requirements. It would prefer to buy the US Boeing airborne warning and control systems (Awacs) aircraft, 18 of which are already in service with Nato.

The Defence Ministry and GEC described a meeting yesterday between Mr Younger and senior company executives as co-operative and cordial.

At the centre of the issues between them is the company's estimate - made before Christmas and rejected by Mr Heseltine, the former Defence Secretary - that it would cost between £245m and £430m and take another three years just to complete development work on the system. The RAF argues that it would then need an additional £300m to £400m to bring the system up to the standards required.

Two main issues emerged from the meeting.

The first is whether the company will be able to produce more acceptable estimates for completion of the development work. There remains great scepticism on this prospect in the Defence Ministry, although the company believes agreement can be reached.

The second is what would happen to GEC's present contract if, as expected, Mr Younger decides to seek approval to cost alternatives to it. It is understood that at yesterday's meeting GEC said it would

Fall in \$ and oil 'will lift French growth'

By David Housego in Paris

THE FRENCH economy will grow by an additional 1 per cent this year as a result of the decline in oil prices and the fall of the dollar, Mr Laurent Fabius, the French Prime Minister, said yesterday.

His statement, implying real growth in gross national product (GNP) of 2.5 per cent to 3 per cent, is the first official confirmation of the country's substantially improved economic outlook and of the wider range of policy options that the two events have brought. It remains to be seen whether the ruling Socialists can reap the benefit before parliamentary elections in June.

Mr Fabius said that over a full year the fall in oil prices and the decline in the dollar would save France FFr 40bn to FFr 60bn (\$5.4bn to \$8.1bn) on its trade account mainly because of the reduction in the oil bill. That compares with trade deficits of FFr 24bn in both 1984 and 1985.

He told the Anglo-American Press Association in Paris that the two events would make it possible for France to bring down its inflation rate to 2 per cent by the end of 1986 against a current target of 2.5 per cent.

Officials said afterwards that the revised calculations were based on an oil price of \$22 a barrel and of an exchange rate of FFr 7.50 to the dollar.

They said the initial estimates showed a minimum additional boost to GNP of 0.8 per cent. Mr Fabius said the additional expansion would be about 1 per cent.

The administration is still in the process of calculating what the impact will be in terms of higher tax receipts and of the budget deficit. But it is already clear that the new external environment offers the Government or a successor right-wing administration much greater scope in terms of fiscal and wages policy and of higher growth and employment.

The immediate impact of the FFr 40 to FFr 60bn savings on the trade account is to open up the prospect for France of an assured balance of payments surplus. Up to now, the continuing trade deficit - in part a result of France's dependence on imported energy - has been one of the big constraints on a higher pace of economic growth.

The current account of the balance of payments is expected to have registered a small surplus last year. In fact, the official forecasting institute, predicted last month a small trade surplus for the first six months of 1986 on the basis of an oil price of \$26 and a dollar at FFr 8.

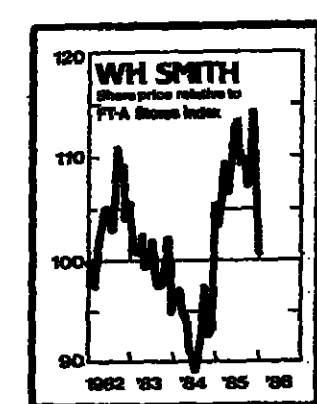
Mr Fabius said yesterday that the Socialists would use the additional room for manoeuvre to cut inflation further. He said that was the first priority and the second was to encourage investment - by implication through tax cuts for industry.

The emphasis on further bringing down inflation is in part electoral and designed to embarrass the right, which would have difficulty in curtailing inflation to 2 per cent. Government officials believe that the lifting of price controls and the raising of public utility charges - as included in the right's election manifesto - will add at least 2 points to the French inflation rate.

But the net effect of the improved economic outlook will make it easier for the right to cut taxes or reduce the budget deficit. The opposition has proposed FFr 40bn of tax cuts for 1987, which under present conditions it would have difficulty in financing without further enlarging the budget deficit.

THE LEX COLUMN

Double trouble at Westland



After all the jig-saw puzzle manoeuvring for large blocks of Westland stock, it was only a matter of time before somebody tried to hoover up the remaining small shareholdings; that it took so long reflects no credit on anybody. It is furthermore characteristic of the whole saga that yesterday's European tender - in which British Aerospace has moved from protagonist to wallflower - fell short of making a full offer for the company, though it is possible that all the pro-European interests together may end up speaking for just over half the ordinary shares.

Small shareholders may well find it hard to resist 130p per share, unless they happen to have strong views on defence procurement or Special Relationships. But the consequences for Westland of a full acceptance are completely obscure. So far as anyone can see, if the European tender succeeds, there is no concrete plan for the company's future beyond blockage of the board's reconstruction proposals. And without an alternative, the bankers are all too likely to lose patience with the whole matter.

This is the more worrying, since the Europeans would appear to be in no position to force through any reconstruction plan that they might subsequently put up. Perhaps in the looking glass world of Westland, the Europeans will seek the agreement of their opponents to yet another scheme, to be put to shareholders at yet another extraordinary meeting. Oh dear.

W. H. Smith

The Big Bang at Wapping is causing few reverberations at W. H. Smith, despite losing such an important London wholesale customer to the aptly-named TNT. No doubt, Smith believes that Mr Rupert Murdoch - like Mr Eddie Shah with his provincial distribution - will eventually revert to the tried and tested virtues of a large wholesaling chain; and that once proprietors have their way, daily newspaper wholesaling volume will start making up the steady decline which included another 2 per cent fall in the six months to November. Whether this also involves a series of strikes and a price war that punches through already paper-thin margins, only time will show.

As it is, the 15 per cent improvement in trading profits from the wholesaling business was just one element in a performance that showed all divisions rolling along nicely: pre-tax profits for the six months rose 27 per cent to £21.3m, or a shade less net of disposal profits on the sale and leaseback of do-it-yourself properties. The volume growth of 15 per cent in DIY was particularly encouraging, suggesting that even such a respectable operator as Smith can rough it out with the best of them on out-of-town sites; but Smith is also squeezing the mature space in its retail chain into higher-margin sales. In the US, Smith is crowding hotel foyers with shops at a spectacular rate (and some cost in overheads), but the return is likely to be rapid.

At 270p, up 6p yesterday, Smith is rated at under 15 times prospective earnings - a substantial discount to the stores sector that is not wholly attributable to the wholesaling business.

Union Discount

Union Discount would have enjoyed a marvellous year in 1985 but for the handicap of being a discount house. The company appears to have been nicely profitable in every activity except the trading of bills, where the running return was simply not high enough to match the cost of funds. Since trading bills is to Union what selling food is to Sainsbury, profits collapsed from £7.9m after tax to a fully disclosed, honest-to-goodness figure of £1.1m. Hardly a splendid result for a century year which saw Union make its first rights issue, but the wonder in the discount market was that Union had made any money at all.

At 270p, up 6p yesterday, Smith is rated at under 15 times prospective earnings - a substantial discount to the stores sector that is not wholly attributable to the wholesaling business.

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ICI Petroleum Limited has embarked upon an imaginative forward looking strategy to invest in high growth opportunities. Oil exploration and production has been singled out for major investment and ICI Petroleum is committed to undertake new ventures in several parts of the world. The Company is seeking to recruit an Economic Analyst who will be a key member of a small London based team participating in the evaluation and management of exploration, development and production projects in the North Sea and increasingly in other parts of the world. You will also be involved in business planning activities, investigating new business opportunities and recommending appropriate courses of action.

A flexible approach is required in the job as you will be given wide exposure to the full range of the Company's ongoing activities as well as involvement in its plans for the future. You will interface with other disciplines within the organisation, particularly Exploration, Engineering, Legal and Financial. Candidates must be graduates with a few years experience in Accountancy or Economics, preferably with an oil company or elsewhere within the oil industry. This position commands a highly competitive salary and benefits package. To apply please write to: **Sussex Management Consultants Ltd.,** Cavendish Court, 11/15 Wymore Street, London W1H 9LE or telephone 01-629 3532.



## BANKING EXECUTIVES

Standard Chartered Merchant Bank Ltd wishes to recruit two experienced bankers at Manager or Senior Manager level, depending on age and experience. Candidates must be able to demonstrate a track record in lending, with a wide range of commercial and industrial borrowers, as well as the ability to deal professionally and imaginatively with complex financing transactions involving the bank's clients at senior management and/or board levels. Candidates under the age of 30 years are unlikely to have the required depth of experience. Career prospects are very attractive for the right candidates and the remuneration package will be competitive and will include the normal banking benefits. Written application with a full curriculum vitae should be sent, in confidence, to: **The Personnel Manager, Standard Chartered Merchant Bank Limited, 33-36 Gracechurch Street, London EC3V 0AX.** **Standard Chartered** Standard Chartered Merchant Bank Limited

## FOREIGN EXCHANGE DEALERS

Philadelphia National Bank is seeking the following staff to contribute to the expansion of their Corporate and Interbank Trading activities. **SPOT DEALER** with a minimum of two years' trading in a major currency in active professional dealing room and with experience in currency arbitrage. **POSITION CLERK** with minimum two years' forex back-up experience to train as Foreign Exchange dealer. The successful applicants will have: —excellent numeracy and communication skills —'A' Level Mathematics or equivalent —effective understanding of back-up systems 'A' second European language would be a distinct advantage.

Please reply, in strict confidence, with full C.V. to: **David W. Whyte, Personnel Manager, Philadelphia National Bank, Philadelphia National House, 3 Gracechurch Street, London EC3V 0AD.**



**Philadelphia National Bank**

## HARLOW UEDA SAVAGE LIMITED EXPERIENCED EURODOLLAR BROKERS

Vacancies exist for up to 2 experienced London Eurodollar and CD brokers. Applicants must have at least 5 years' experience in the market and an established client list. Remuneration will be negotiable according to experience and any discussions will be treated in the strictest confidence. Interested parties should contact David Spong on 01-626 7890 or apply in writing.

**D. Spong, Director**  
**HARLOW UEDA SAVAGE LTD**  
Adelaide House  
London Bridge, London EC4R 9EQ

## Trade Finance BUSINESS DEVELOPMENT

We are a successful and profitable Trade Finance Company within an International Trading and Financial Group. An impressive growth record over the past three years has created the need for a proven business-getter. Reporting to the Managing Director and aged between 25/40 years the selected candidate would join a small team to market a range of trade-related financial services with particular emphasis on the U.K. market. We are committed to high business levels in this area which should offer a busy and rewarding environment for the right executive. The remuneration package will provide normal major company benefits, together with a performance-related bonus. Apply in writing with comprehensive C.V. to: **Box A0636** Financial Times, 10 Cannon Street, London EC4P 4BY

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# Better City Connections ...

## Institutional Sales - U.K. Highly competitive packages

Our client is a leading City stockbroker, highly regarded both for its first-rate research and the standing of its institutional partner. They actively seek experienced institutional sales executives to augment their well-established U.K. team. Considerable scope and potential for progression will be offered to those able to demonstrate a sound knowledge of the U.K. market and a high degree of success in their careers to date.

## International Fund Manager Equities/Bonds

A Senior Fund Manager is sought by the investment banking arm of one of the world's major banks. The appointed candidate will hold direct responsibility for globally invested client portfolios as a member of a growing, highly-motivated team. Candidates must have experience in this field, coupled with excellent communicative skills and a high degree of self-motivation. For the right individual, the rewards will be excellent, both in terms of remuneration and career development. Age range - early 30's.

Please contact Anna Robson or Timothy R. Wilkes at the Investment Division, 39/41 Parker Street, London WC2B 5LH, or telephone 01-404 5751. All replies will be treated in strictest confidence.



**Michael Page City**  
International Recruitment Consultants - London Brussels New York Sydney  
A member of the Addison Page PLC group

## European Specialists

One of the City's largest and most forward looking securities firms is expanding their European department. They seek analysts who have already gained experience of the major markets and have basic linguistic ability in relevant languages - French, Swedish and Dutch being principle requirements. The sales team similarly requires experienced professionals to market research to both UK and European institutions; again it is important to have relevant linguistic ability. Attractive remunerative packages are available.

## U.K. Sector Specialists Excellent remunerative packages

There currently exist several positions with our regular top ranked clients in Sector Analysis and Sales. Fundamental requirements for these appointments are experience in the City with respected financial institutions and thorough knowledge of the relevant sector:

- Paper & Packaging • Electronics & Defence • Engineering • Financials
- Chemicals & Pharmaceuticals • Retail.

# Sterling Dealer

Kleinwort, Benson Limited requires an experienced STERLING DEALER in his/her mid-twenties. Applicants must have a proven track record in Sterling Inter-Bank Dealing, CDs and other Money Market Instruments. A working knowledge of the Financial Futures Market is preferred but not essential.

The remuneration package will be highly competitive and include mortgage subsidy, BUPA, non-contributory pension and free life assurance.

Please write in confidence enclosing personal and career details to: Gareth Hughes, Assistant Manager - Personnel, Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

# Kleinwort Benson

The International Merchant Bank

## Licensed London Dealer

U.S.\$50K per annum in securities

seeks equity SALESPERSON highest commission paid and rapid advancement in the firm available immediately to self-motivated individuals. Members of the National Association of Security Dealers and Investment Managers.

Please reply, Mr. Harris, Walter L. Jacob and Company Ltd., 19 Stratford Place, London W1N 9AF. (01-493 5622)

# Project Executives

£18,000

At present of BACS our corporate aim is to achieve a further 1,000 million direct debiting payments per year by 1990 which we see as a massive professional challenge. We wish to appoint two new Project Executives to take special responsibility for the vigorous management and development of this major market initiative

for direct debiting. They will be required to plan, direct and co-ordinate the promotional campaign for our direct debit services working closely with potential customers & their bankers. Applicants will have had a minimum of 10 years experience in Marketing, Sales or Consultancy with major account responsibility and have

demonstrated skill both in Direct Marketing and negotiations at highest levels. In return for your major contribution to our continued growth, an attractive remuneration package will include a starting salary c. £18K and the full range of banking benefits.

Please forward your cv. to Mr. Donald Abbott, Bankers' Automated Clearing Services Limited, De Havilland Road, Edgware, Middlesex, HA8 5QA. Telephone: 01-952 2333.



## Financial Markets

### Investor Relations c.£30,000 + bens

Our clients, the merchant banking arm of a major European House, are seeking a salesman with varied experience of Euromarket instruments. This is a broad sales position with responsibility for developing the bank's institutional investor client base. Knowledge of French equities would be an advantage.

### FRN Sales & Neg

Our clients, both North American and European Investment Houses, seek experienced sales people with a minimum of one years exposure to the FRN market. Highly attractive salary packages are available for the right candidates.

### Bond Sales/Trading & Neg

Sales and trading opportunities exist in this major Japanese House. Yen or US \$ fixed rate experience is essential and the successful candidate will also preferably have good all round knowledge of Capital Market instruments in different currencies. For an initial discussion on these and numerous other positions throughout the Capital Markets, please contact Simon Harrison (evenings & weekends - 998 3328) or Louise Gore (evenings & weekends - 888 2140).

## CHARTERHOUSE APPOINTMENTS

EUROPE HOUSE - WORLD TRADE CENTRE - LONDON EC1A 1PA 01-491 3198

# Gilt Dealer

Wood Mackenzie & Co. Ltd, a member of The Stock Exchange, requires an experienced Gilt Dealer. An opportunity will be provided for the successful candidate to move on to sales after 'Big Bang'.

A fully competitive salary including a profit related bonus and benefits package will be offered to the successful candidate.

Please write with full career details to: Peter Derby, Director, Wood Mackenzie & Co. Ltd, 62/63 Threadneedle Street, London EC2R 8HP. Tel: 01-600 3600.



**Wood Mackenzie & Co. Ltd.**  
Member of The Stock Exchange

## Fund Management Overseas Equities

£15,000 to £20,000

Located in the City, with a wide range of funds under management, totalling in excess of £5 billion. We have a substantial involvement in overseas equity markets and our continuing expansion requires us to recruit a high calibre individual to strengthen the international equity team.

As a key member of a small but very successful team, the ability to work alongside others is essential and the successful candidate will either be a graduate or professionally qualified with a minimum of 2 to 3 years experience in a financial institution.

Preference will be given to those with experience in the Far Eastern markets and in particular, Japan. The position offers exciting prospects and the commencing salary, dependent upon experience, will be within the range of £15,000 to £20,000 per annum. In addition, an attractive benefits package is offered which includes:

- non-contributory pension scheme
- preferential mortgage scheme.

Applications in writing, together with a curriculum vitae should be submitted to:

A.P. Peggie Esq., Investment Administrator, Eagle Star Insurance Company Limited, 1 Threadneedle Street, London EC2R 8BE.

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## APPOINTMENTS ADVERTISING

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## INVESTMENT MANAGER

FORESTRY

Neg. from £20,000 + car City

This interesting and unusual opportunity arises within the UK's leading private forestry management company, the Economic Forestry Group.

Liaising directly with wealthy private investors and their financial advisers, the successful candidate will be responsible for handling initial enquiries, providing advice, devising detailed proposals, negotiating deals and subsequently maintaining continuing business relationships.

Applicants, ideally in their early thirties, must therefore combine highly developed social and communicative skills with broad commercial and financial knowledge, gained by working either in the City or for a firm providing investment advice. Existing knowledge of forestry management and its tax implications is not required as full training will be provided.

The remuneration package, which is negotiable, will include a performance related bonus.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref: 2354 to G.J. Perkins, Executive Selection Division.

## Touche Ross

The Business Partners

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

## Opportunity to move to the Japanese Market

### Investment Analyst Japanese Equities



The Nikko Securities Co., (Europe) Ltd.

Nikko Securities is one of the world's largest International Securities Companies, and we are now seeking an additional qualified and experienced Investment Analyst for our London office.

We are building an independent research team in London to serve our expanding European client base, complementing the resources of our comprehensive research effort in Tokyo.

You should be self-motivated, articulate and have had two or three years' experience of investment analysis within a UK Stockbroker or Institution. Experience of the Japanese market is not essential.

We offer a highly competitive salary and benefits package which will be related to experience and ability.

Written applications, which will be treated in the strictest confidence, should be sent to the Personnel Manager, Nikko Securities Co., (Europe) Ltd., 17 Goddeman Street, London ECAV 5BD (for an informal and confidential discussion call Peter Roe, Head of Investment Research, on 01-248 9811 Ext. 390).

## Minster Trust

Minster Trust, a subsidiary of Groupe des Assurances Nationales, France's third-largest insurance company, is a long-established issuing house. In addition, it is a licensed deposit taker and is manager of business expansion scheme funds and of Monument Oil and Gas PLC, a North Sea exploration company. It also manages some £200 million of investment funds.

All areas of Minster Trust's activities are in course of development. Minster Trust is now seeking to recruit two executives, one each at senior and junior level. Successful applicants will become involved both in general corporate finance work, aimed primarily at the smaller to medium-sized company, and business expansion scheme work.

The age envisaged for both appointments is 25-36. Successful candidates will have a University degree, accompanied preferably by a professional qualification and, for a senior applicant, appropriate corporate finance experience. Salary and benefits will be competitive. This is an excellent opportunity to participate in the development of a progressive organisation.

Write to:

T. C. Lyons,  
MINSTER TRUST LIMITED,  
Minster House, Arthur Street, London, EC4R 9BE.

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## Consultants

Established in 1976 we now operate as a personal group of three consultancies each specializing by market. Through understanding these markets we currently assist clients with assignments at all levels. Our plan for steady growth includes complimenting existing teams; establishing another specialist consultancy - possibly in the Banking or the Accountancy field; further developing our corporate headhunting activities. We invite approaches from experienced individuals or teams who can demonstrate success based upon flair, innovation and a strong commitment to professionalism. Please contact F. J. Stephens, 44 Carter Lane, London, EC4V 5BX. Telephone 01-236 7307.

Kennedy Stephens • Stephens Associates • Vicky Mann & Associates  
Capital Markets & Options • Stockbroking and Investment • Public Relations and Communications

## Jonathan Wren

### Corporate Finance - Executives / Managers

Our Client, a Major Accepting House, seeks to recruit high calibre Graduates to add to its expanding Corporate Finance team. For the junior vacancy, a background in chartered accountancy, or wide ranging financial training is necessary, and for the management position there is an additional requirement for at least two years experience in the Corporate Finance Department, with involvement in mergers/acquisitions, and listings - both full and USM. International M&A experience would be advantageous. Age range 25-35 years. Excellent salary, bonus and prospects exist. Contact Mark Forrester.

### Ambitious Credit Analysts £Neg

Due to unprecedented demand, our Clients, mainly Merchant, US and other prominent International Banks, seek experienced Bankers. Applications are therefore sought from candidates who are able to demonstrate a successful track record in Bank and Country appraisals or preferably, Corporate Credit Risk assessment. Many of these opportunities offer progression to Marketing within a reasonable time frame. Age range 25-35 years. Contact Richard Meredith or David Williams.

Telephone 01-623 1266  
All applications will be treated in strict confidence

SYDNEY

## Jonathan Wren

HONG KONG

Recruitment Consultants  
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

# FTB RECRUITMENT

## EUROBONDS: GREEN-FIELD SITUATION

Our client, a leading European merchant bank, has a requirement for a non-£ bond trader. FTB invites applications from strongly motivated individuals aged between 27 and 35 with a minimum of 3 years' trading experience of either convertible or straight bonds. This bank can offer a "green field" situation in this area to complement its already dominant presence in the £ denominated arena. Therefore not only will you have a provable track record but you will also have the ability and desire to build up and motivate a small team.

## EUROBONDS SALES

The UK arm of this international house, with both a strong commercial and trust base, is expanding its sales force. It has recently strengthened its trading operation in both the £ straight and the FRN markets and is now in a position to take on additional sales people. If you have a year to 18 months' experience of either straight, FRNs or multi-currencies, then this is an excellent opportunity. You will be articulate, self-motivated and able to read market trends. A great advantage with this house is the fact that at present they have a client demand for Euro-securities from their branch offices and as such applicants need not have a large client list of their own. Remuneration will be by way of salary, company bonus, individual bonus, car and mortgage.

In addition we have a number of openings in Eurobond or multi-currency SALES with many of the major houses. Generally, we are looking for a track record but we do have some openings for 6 months plus experience. Should you wish to contact FTB to discuss specific opportunities, in this year of change, or generally, then do not hesitate to contact Stephen Dopson on 01-600 1211, or 0206 578551 (evenings and weekends).

FTB RECRUITMENT, 128/129 Cheapside, London EC2. 01-600 1211

# Chief executive

Norwich, £30,000 neg, car + excellent benefits



The NORWICH BUILDING SOCIETY with 25 branches, assets exceeding £160 million and 73,000 members enjoys a reputation for innovative management and soundly based expansion.

We are now looking for a Chief Executive to take responsibility for the day to day running of all the Society's operations. You will lead the Society into the 1990s formulating and implementing plans to enable it to respond positively to wider legislation. Of particular importance is the continued implementation of an information technology strategy to ensure that the Society remains amongst the technical leaders in the building society world.

You need to be a capable manager with substantial experience in a similar role—perhaps already in a building society, certainly a financial institution: a good team leader with a flair for product and market development and a sound appreciation of the application of modern technology to business.

Terms are for discussion.

Please write enclosing your curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B283.



Coopers & Lybrand associates

Coopers & Lybrand Associates Limited management consultants

10 Boulevard Street London EC4Y 8AX

# MOGHUL CREDIT

Executive with corporate/merchant banking experience to join president's team with officer responsibility and the opportunity to make a personal contribution. Send full c.v. to: The President, Moghul Credit Ltd., 3 Upper Brook Street, London W1Y 1PA

## SALES/MARKETING

Position immediately sought by enthusiastic and committed executive (42) with Japanese connections. Experience of marketing European marketing consultancy and recruitment. Widely travelled, highly motivated and works best under pressure. A reliable all-rounder with good interpersonal and presentation skills. Job satisfaction and involvement — vital. Interested? Please write Box A0035, Financial Times, 10 Cannon St, London EC4P 4BY or Tel: 0603 622920

## STOCK EXCHANGE MEMBER WITH OWN BUSINESS

Producing £250,000 p.a. in gross commission with average of 1000 orders on 30:30 basis. Good selling record and excellent back office support. Suitable for Senior Partners of stock-broking firms only. Write Box A 0040, Financial Times, 10, Cannon St, London EC4P 4BY.

# Financial Futures

To £30,000 + bonus + benefits

We are currently acting on behalf of a prominent financial futures operation in the UK. As the financial futures and related options markets continue to expand, there is an increasing need for a proficient and experienced sales force to service a wide range of clients.

The successful candidates will be in their early to mid twenties and be happy to work as part of a team in an aggressive and fast-moving environment. Experience of sales and research in financial futures will prove a distinct advantage.

Remuneration packages will be commensurate with experience and ability. Excellent career prospects.

Interested applicants should write, enclosing a curriculum vitae, to Victoria Ward Krickic, Michael Page City, 39/41 Parker Street, London WC2B 5LH or telephone her on 01-404 5751 quoting ref: 6463.



Michael Page City

International Recruitment Consultants—London Brussels New York Sydney  
A member of the Addison Page PLC group

# CD/Euronote Trader

The newly formed capital markets division of a major North American bank is currently expanding its trading activities, and now wishes to recruit a Euronote Trader.

Candidates will be in their twenties with a minimum of one year's successful trading experience probably gained in either the CD or other short term negotiable instrument markets. A good understanding of Euronotes would be a distinct advantage as would a knowledge of financial futures. Our client has an interest in applicants who have demonstrated abilities in this highly competitive field.

Remuneration will be commensurate with relative work experience and includes a fully comprehensive benefits package. Interested applicants should contact Sally Poppleton on 01-404 5751 or write to her, enclosing a comprehensive curriculum vitae, quoting ref. 3594, at 39/41 Parker Street, London WC2B 5LH.



Michael Page City

International Recruitment Consultants—London Brussels New York Sydney  
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# MAJOR EUROPEAN BANK

with extensive worldwide network seeks

## CORPORATE DEALER

Forex/Treasury and Related Products

We offer an outstanding opportunity for a young candidate to join a successful team dealing with UK and international corporations and marketing new products related to Foreign Exchange and Treasury, such as Options, etc.

The ideal candidate will be imaginative and self-motivated and will possess a good degree in Economics or related subjects. Previous banking experience would be a distinct advantage.

The successful applicant will be trained in depth as necessary on all relevant products.

## OPTIONS DEALER

Money Markets Development:

Currency and Interest Rate Options

Research, development and marketing of these sophisticated products is an increasing and essential part of our commercial strategy. The successful candidate will be in his/her 20s with a good degree in Maths/Economics or related subjects. Previous banking experience would be a distinct advantage; nevertheless, training will be given as necessary should the candidate show strong potential.

Both positions offer excellent career prospects and salaries are negotiable.

Write with full c.v. to: Box A0041, Financial Times  
10 Cannon Street, London EC4P 4BY

# Entrepreneurial ACA for Banking

City

up to £25,000

Our client is the London merchant banking arm of a major international financial services group intent on maintaining and improving its considerable presence in this market, particularly in the UK and Europe.

In line with current expansion plans, they wish to appoint a Corporate Finance Executive as a key member of a dynamic team.

Reporting to the Directors, you will be involved in providing merger and acquisition advice, capital raising of all types and developing and co-ordinating the Department's marketing programme.

Excellent communication and interpersonal skills, considerable drive and enthusiasm, and directorship potential are considered essential personal qualities.

Applications are invited from ambitious graduate ACAs in their mid to late 20s currently working within an international banking or accountancy environment.

Fluency in German or French would be an asset.

To apply, please telephone or write to Shubha Chawla quoting Ref: SC062.



International Search and Selection

160 New Bond Street, London W1Y 0HR  
Telephone: 01-408 1670.

# ENGLISH & AMERICAN INSURANCE GROUP PLC

CITY OF LONDON

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Qualified Lawyer/Chartered Secretary

Age 27+

To take over direct responsibility for legal and secretarial services to client insurance companies. To administer Group property, pension fund, contracts and insurances.

To liaise with Directors and senior management, working with the Group Secretary in all areas of the Group's activities.

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SALARY FROM £12K AND BENEFITS

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To carry out wide range of legal and secretarial services within the Group and for the Group's client companies.

To assume specific responsibilities as experience is gained within the insurance marketplace and to provide direct assistance to the Group Secretary and senior management on special projects.

Applicants for the above positions should apply in writing, enclosing full c.v. to:

The Group Secretary  
English & American Insurance Group PLC

Three Quays  
Tower Hill  
London EC3R 6DS



# STRATEGIC PLANNER Group Corporate Development

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DRG plc is a British Company with international interests and in excess of 20 UK businesses engaged in stationery, office supplies, packaging and specialist engineering. Turnover is approximately £650 million.

As a member of the Group Corporate Development team, you will act primarily as a catalyst to operating units to "think forward" (identify weaknesses/spot opportunities). Other services provided by the department include the evaluation of acquisitions, in-depth investigations of options open to certain operating units and assisting the Board in formulating policy and strategy from a group-wide perspective.

The ideal candidate will be a graduate—possibly an MBA—or hold a relevant professional qualification such as ACA. Probably in your late 20's, your industrial or commercial experience to date may be in financial or non-financial disciplines such as marketing, involving numeracy and analytical skills. The ability to establish credibility and rapport with line management to achieve Group objectives is of prime importance.

Salary is negotiable and will reward skills being brought to the role. The position will give a wide insight to the Group's activities and will lead to career progression in the senior management structure.

Please write with CV to  
J. D. Maddocks, Staff Manager,  
DRG plc, 1 Redcliffe Street,  
Bristol BS99 7QY.

DRG is an equal opportunity employer



# Systems Analysts

Central London  
£12,500-£16,000 on entry

A substantial and well established West End employer requires a number of experienced Analysts to make significant contributions to the development of a number of interesting applications requiring up-to-date ideas and modern technology. A variety of computer mainframes, minis and micros, including ICL, PRIME, DEC, and TP and DATABASE are used extensively.

A minimum of 3 years experience is required. The starting salary would be commensurate with appropriate experience. Successful candidates can expect comprehensive training, challenging work and prospects of promotion to more senior levels. Career development is actively encouraged from within.

In addition to being analytical and creative, candidates should have good inter-personal skills, and be able to demonstrate significant achievements as a systems analyst.

Please write enclosing a full c.v. to Confidential Reply Service, Ref: RGS4 9325, Austin Knight Advertising Limited, London W1A 1DS. Applications are forwarded direct to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.



مكتبة الأصيل



# CJA

## RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374 Fax No. 01-638 9216

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Scope to advance in senior financial management or within the Corporate Strategy Group - U.K., Europe or elsewhere.

### ALPS

## MANAGER, TREASURY AND CREDIT - PETROCHEMICALS

**BERKSHIRE** **£20,000-£22,000**

MAJOR EXPANDING EUROPEAN PETROCHEMICAL SUBSIDIARY OF LEADING U.S. OIL CORPORATION

For this appointment, we seek business graduates or an appropriate professional qualification, from candidates, aged 26-30. We require at least three years' in a fast-moving international corporate treasury environment using advanced techniques encompassing financial analysis, cash and credit management. A background in the chemical industry and knowledge of French are desirable. Heading a small team, the successful candidate will be responsible for the Vice-President, Planning and Control for all treasury activities, FX, banking relationships and performance plus the total credit and revenue collection functions. Close liaison with line management and the U.S. treasury is vital with regular overseas travel involved. A capacity to plan creatively, good communication skills and the ability to work under pressure with the minimum of direction and supervision is essential. Initial salary negotiable £20,000-£22,000, non-contributory pension, life assurance, family medical cover and assistance with relocation expenses. Applications in strict confidence under reference MTC 105/FT to the Managing Director: ALPS

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An excellent opportunity to gain valuable Tokyo experience

### CJRA

## ANALYST - ELECTRONICS

**TOKYO** **HIGHLY ATTRACTIVE REMUNERATION**

MAJOR INTERNATIONAL MERCHANT BANK/STOCKBROKING FIRM

This vacancy calls for analysts in the electronics sector who have acquired a minimum of 18 months practical experience with stockbrokers or an investment house. As part of a team in Tokyo, the successful applicant will acquire a thorough knowledge of the Japanese electronics industry, will visit companies, produce reviews of industry and succinct and conclusive report recommendations. A good university degree, a highly alert and enquiring mind and the ability to communicate lucidly are key requirements. A highly attractive salary is negotiable, + free accommodation, non-contributory pension, free life assurance, free medical cover, children's education allowance, assistance with home leave air passages. Applications in strict confidence under reference AE 17477/FT, will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA

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35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216

PLEASE ONLY CONTACT US IF YOU ARE APPLYING FOR ONE OF THE ABOVE POSITIONS. HOWEVER, ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT, PLEASE TELEPHONE: 01-638 7839.

# CORPORATE DEALERS

Standard Chartered Bank is one of Britain's major international banks, with gross assets exceeding £26,000 million and more than 2,000 offices in over 60 countries.

The Bank has an excellent reputation in the treasury field and, due to expansion, is seeking to recruit professional Corporate Dealers to join an already highly successful team in our City-based International Banking Division. Responsibilities will encompass the servicing and marketing of both traditional and innovative treasury services to the corporate sector.

Applications are invited from candidates, aged 25-32, who have at least 2 years' experience in this field. They should also possess a sound understanding of the foreign exchange and money markets, together with the maturity and ability to advise and develop relationships with major customers.

Remuneration will be highly competitive and will include the usual generous banking benefits.

Please apply with comprehensive c.v., to Peter Barnes, Recruitment Officer, U.K. Personnel Services, Standard Chartered Bank, 38 Bishopsgate, London, EC2N 4DE.

Standard Chartered

## VP Commercial Banking Department

A major US commercial bank seeks an experienced banking professional to manage its Foreign Based Group, consisting principally of UK subsidiaries of US corporations. This senior role calls for an individual - currently working in a similar role - with strong leadership skills and the ability to maximise the potential of staff. You will be responsible for coaching and developing a team of five lending professionals by providing guidance in marketing, credit and product knowledge. A role model in the marketplace, you will also handle a number of major account relationships directly.

If you have management experience together with effective communication skills and would like to enjoy an excellent rewards package, please write with a full CV to John Watkinson, Assistant Vice President - Personnel, Bank of Boston, 5 Cheapside, London EC2P 2DE.

# BANK OF BOSTON

## Skeels Associates

Bank Recruitment Consultants

**CREDIT OFFICER**

Major US Bank has an opening for a well advanced graduate or experienced person with 2-3 years experience to work in its Corporate Credit Dept. in support of the Division of Corporate Credit. Candidates should have a minimum of 2 years experience in a similar role. Successful applicant will be required to spend approximately 18 months in a supportive role prior to moving to the Credit Division.

**FX DEALER**

Major European Bank with a significant London dealing operation requires an individual with 2-3 years experience to work in its Corporate FX Dept. in support of the Division of Corporate Credit. Candidates should have a minimum of 2 years experience in a similar role. Successful applicant will be required to spend approximately 18 months in a supportive role prior to moving to the FX Division.

**NEW ISSUES**

This new position with a rapidly expanding European Bank offers a challenge and 2-3 years experience to work in its New Issues Dept. in support of the Division of Corporate Credit. Candidates should have a minimum of 2 years experience in a similar role. Successful applicant will be required to spend approximately 18 months in a supportive role prior to moving to the New Issues Division.

**BUSINESS DEV. OFFICER**

Leading New York Bank is seeking an additional person, probably 25-35, to join its London based Corporate Group. Candidates must be graduates with a minimum of 2 years experience in a marketing back-up role and have previous involvement in business development. The successful applicant will be able to work at a senior level and will be required to spend approximately 18 months in a supportive role prior to moving to the Business Development Division.

**CHIEF ACCOUNTANT**

The newly created London office of a leading international bank is seeking a qualified person, possibly 25-35, to maintain its accounting systems using the SAP system. Candidates must have international banking experience and an innovative approach for this key new appointment. An excellent salary package including a car is being offered to attract a candidate of the highest calibre.

**SENIOR FORWARD DEALER**

This is a new, key appointment within the London branch of a leading international bank. Candidates should have five years' experience in a similar role, preferably in a senior position, and have the ability to supervise junior staff. Whilst it is envisaged that the successful applicant will be based in the UK, the Bank will also consider applications from overseas and a candidate's potential to develop beyond the local position is the new focus.

Our current assignments also include -

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| Asset Sales          | £20,000    |
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| Eurobond Settlements | £8-30,000  |
| LIFFE Trader         | £9,000     |
| Money Mkt. Dir.      | £9,000     |
| Operations           | £20-30,000 |
| Personnel Officer    | £15,000    |
| Trade Finance        | £20,000    |
| Treasury Manager     | £9,000     |
| UK Mkt. Officer      | £22,000    |

2 London Wall Buildings  
London Wall London EC2M 5PP  
Tel: 01-588 2081

APPOINTMENTS  
appear every  
THURSDAY

## SENIOR TAX ADVISOR

Oil Industry Central London

A vacancy has arisen for a senior advisor within the tax department of Mobil Services Company Ltd. This specialist department provides a complete tax service to all UK Mobil companies, both upstream and downstream, and each member of the department enjoys a considerable degree of individual responsibility.

The successful candidate is likely to be a qualified accountant in their 30's with a specialist knowledge in all aspects of corporation tax and at least 4 years experience of petroleum revenue tax compliance and advisory work. A knowledge of VAT and the basic principles of US taxation would be an advantage.

In particular the position involves

- Supervision of PRT compliance work, including responsibility for all related negotiations with the Oil Taxation Office for several oil and gas fields.
- Advising senior management on all aspects of CT and PRT planning for reorganisations and other special work, including in the BEP area, farm-ins, utilizations and gas banking schemes.
- Developing, together with Mobil Treasurers, finance and leasing transactions affecting both upstream and downstream operations.
- Liaison with Mobil's US tax personnel on all matters affecting the UK group.

Apart from the high level of technical ability, experience and innovative skills required, candidates for this senior position should be able to communicate effectively with management. A competitive salary and a full range of employee benefits will be offered commensurate with this senior position.

Applications, enclosing a full CV and quoting current salary will be treated in strict confidence and should be addressed to: P.J. Johnston, Advisor Employee Relations, Mobil Services Company Ltd., Mobil Court, 3 Clements Inn, London WC2A 2ER.

Just because you are out of a job doesn't mean there isn't a job out there for you!

Many people assume that it is impossible to find "the right job for me". It's so natural to maintain a blinkered view of your own potential that it's hardly surprising if you fail to achieve your true potential.

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Telephone us to arrange a confidential personal assessment without obligation, or write to:

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Ref: CVR  
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London W1P 5AF enclosing a brief career summary.

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BRISTOL 0272 22367  
MANCHESTER 061-228 0089

NOTTINGHAM 0948 37511  
GLASGOW 0432 13522  
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CHUSID LANDER

## International Project Finance

Key project development role for worldwide contractors

If you combine proven project finance skills with genuine entrepreneurial flair, this is an exceptional opportunity to use your talents in the petro-chem industry. Humphreys and Glasgow, London-based international contractors and process engineers, are committed to an expansion programme worldwide. This covers on-shore and off-shore projects and demands the expertise of a project finance professional capable of both structuring the financial needs of projects and also identifying business prospects and potential clients. The brief also involves co-ordinating these functions for our associated companies in West Germany and Switzerland, engaged in international civil engineering and construction.

Applicants, who are unlikely to be under 35, should have a proven record of success with an industrial or financial organisation in arranging creative international project finance and have had extensive contact at senior level in financial, business and other institutions. Willingness to undertake worldwide travel at short notice is essential.

This is an excellent career opportunity and the successful candidate will play a major part in our future development plans. An attractive salary will be negotiated and a company car provided.

Please send, in strictest confidence, personal and career details, or alternatively telephone: Peter Stoner, Recruitment Manager, Humphreys and Glasgow Limited, Chestergate House, 253 Vauxhall Bridge Road, London SW1V 1HD. Telephone: 01-828 1234.

Hoggett Bowers plc

## City Division

### Trade Finance

City, c £17,000 plus Benefits Package

Our client is a worldwide trade financing organisation providing a full range of banking services including commodity-linked finance, project finance, portfolio management and money market operations. The successful applicant will develop trade finance in Europe, Africa and the Middle East, establish and maintain customer relationships and follow through the resulting transactions. Candidates will ideally be graduates with a minimum of three years international banking experience, preferably within trade finance. Knowledge of a European language would be advantageous. Male or female candidates should telephone Anne Weston in confidence for a Personal History Form quoting Ref: 859/FT.

01-588 4305

Moorgate Hall, 153/157 Moorgate,  
LONDON EC2M 6XB.

Recruitment Consultants

## DIRECTOR

### Marketing Research Consultancy

Financial Services £30K plus

Our client is part of a diverse international group. This Division consists of a range of complementary companies, the one in question concentrating on research based consultancy in those business sectors which are still developing the use of research or offer growth opportunities. The Account Director for Financial Services reports to the Managing Director and is one of the four key positions in the Company.

Your career so far will have had a strong marketing element which enables you to advise clients on the application of research to all aspects of their business plans. Your in-depth experience in the financial services sector will give you the accreditation to handle a variety of client business problems, especially in new and developing sectors. The ability to maintain the quality of consultancy to existing clients is as important as the requirement to identify and win new business. Additionally, you will be expected to play a full role in the management of this particular company, including its 30 staff.

The remuneration and benefits will be negotiable and consistent with the requirements and status of the position. Meaningful profit sharing arrangements are critical to the Company's philosophy.

Please write to Keith McNeish (quoting reference 543), showing how you meet the above criteria and enclosing details of your career to date.

cc&p

CC & P International Limited  
28/28 Bedford Row, London WC1R 4BP.

## Eurobond Sales

Interesting opportunity in an exciting and demanding environment

Citicorp Investment Bank Limited, is expanding its trading and sales activities, and this development has created an immediate opportunity to join our successful Eurobond Sales unit.

As a member of a highly professional team based in London, you will have knowledge of the Swiss and Mid European markets, ideally gained in Germany or Switzerland. Fluency in German and English is essential. Ideally you will have a general banking background and some 1 to 2 years' sales experience.

This is an excellent opportunity to join a successful, expanding unit and an attractive compensation package will be offered to the successful candidate.

Please write with personal and career details to: Miss Hanneke C. Frese, Personnel Officer, Citicorp Investment Bank Limited, 335 Strand, London WC2R 1LS.

# Accountancy Appointments

## FINANCIAL CONTROL Merchant Bank Subsidiary

Central London  
c. £23,000 + Car + Banking Benefits

Our client, part of an International Banking Group, provides Financial Services to Commerce and Industry. An aggressive marketing and acquisition policy has enabled the company to substantially increase turnover during 1985 and forecast further rapid expansion in 1986. Managing your own team, you will take charge of the financial accounting function for several subsidiaries. Your responsibilities will also develop into control of specific projects, particularly investigation of potential acquisitions. You will be a qualified accountant, probably in your late 20s or early 30s, with the necessary flair and ambition to benefit from the outstanding prospects within the Group. Please apply in confidence to Stephen Gardiner quoting reference: H0256.

**RADCLIFFE** Accountancy Limited  
Recruitment Consultants  
240-241, High Holborn, London WC1V 7DN 01-405 0863

## FINANCIAL CONTROLLER c£20,000+ BENEFITS

Our Client, a subsidiary of a Major Multinational Group is based in the City and has extensive interests in the Shipping and Transportation services industry. Current turnover is £50m per annum. The Company is engaging in a major expansion programme and seeks to strengthen its young management team with the addition of a professionally qualified accountant who has proven management skills. This post offers an excellent opportunity for a creative and entrepreneurial professional who has solid experience in financial and management accounting and a familiarity with computerised accounting and operating procedures. Candidates should be between the ages of 30-40 and ACA or ACCA qualified, ideally with experience which would have been gained within a service industry. Exposure to a national and international client base, through travel, is available and an excellent benefits package is offered in addition to the salary quoted above.

In the first instance please forward c.v.'s only (in confidence) to Mr. P. Saunders at the address below, indicating by name any company you would not wish us to approach.

All applications will be acknowledged within one week.

**HUNTER TURNER**  
ASSOCIATES LTD.  
RECRUITMENT CONSULTANTS

01-636 9891 / 637 3096  
40 Great Portland St. London W1N6AH

## Problem-solving and financial control

The Stock Exchange - one of the world's great financial institutions - is poised to take on the biggest challenge in its long and illustrious history. De-regulation of the "Big Bang" as it has become known, is scheduled to take place on 27th October, 1986, bringing with it exciting changes and new opportunities in this complex and fast-moving environment.

## ASSISTANT MANAGER-ACCOUNTING SALARY TO £17,000 + BENEFITS

This new, challenging and wide-ranging role is right at the sharp end of financial control and administration within an expanding department, which is responsible for the financial settlement of members' bargains in several currencies.

Decisive and with well-developed analytical and computer skills you will be a qualified accountant in your late twenties or early thirties who has already achieved considerable success in a similar commercially focused environment.

Working with a staff of twelve, your key responsibilities will embrace solving complex transactions, resolving unconventional accounting problems and developing computerised accounting systems. In addition, the successful applicant will be familiar with VAT and stamp duty legislation.

In addition to a salary in the region of £17,000, there are attractive benefits normally associated with a large and progressive organisation, including free season ticket within a 60-mile radius, BUPA and non-contributory pension scheme.

Please apply with full C.V., including salary, to: Barbara Copleston, Personnel Officer.

**The Stock Exchange**  
LONDON EC2N 1HP TEL: 01-588 2355

## Recently Qualified Accountants.... ACCOUNTING IN A MAJOR INTERNATIONAL BANK Salary c£17,000 + Bonuses + Benefits Package

Our client is a major international bank with a worldwide network of offices and a comprehensive product range. The Finance Department is undertaking substantial automation and development of its accounting procedures and systems. Recent promotions within the department have now created the following opportunities:

**OVERSEAS SECTION.** Responsible for all financial reporting and control of overseas branches and subsidiaries. Providing financial analyses and performance indicators on subsidiary companies and branches, the appointee will also have the opportunity to travel overseas.

**FINANCIAL REPORTING.** Responsible for producing financial accounts for division and group reports, this position will incorporate regular contact with senior management, and is seen as a stepping stone into other areas of financial management.

**PROJECT ROLE.** Responsible for the critical review of financial accounting from an operations standpoint. This key position carries responsibility for recommending and implementing systems improvements, with the aim of establishing strong internal controls.

The bank views all of these opportunities as excellent entry points for recently Qualified Accountants making their first move into international banking. They offer career options in a wide range of areas, both in the finance function and the field of business development, planning and operations. Candidates should be graduates Chartered Accountants with up to 1 year's P.Q.E.; committed and ambitious, they must demonstrate the self-confidence to deal at senior levels within the bank. There is a competitive benefits package available, which includes subsidised mortgage, non-contributory pension scheme and annual profit share.

Interested candidates should apply directly to Felicity Hoher.

Telephone: 01-588-6644

Anderson, Squires Ltd.  
Bank Recruitment Specialists  
127 Cheapside, London EC2V 6BU

Anderson, Squires

### SEMI-SENIOR AUDIT CLERKS

If you are an Accountant, wishing to transfer articles, or work in the profession in THE THAMES VALLEY, then why not contact me for further details:

Gerald Copley,  
FOREST ACCOUNTING,  
11-12, Gun Street, Reading,  
Tel: (0734) 587272

## Financial Controller

Surrey

c£20,000 + car

Our client is a progressive independent film distribution company based in an attractive Thames-side location. Turnover for 1986 is projected at £7 million and the Company is now planning for substantial growth.

Due to a recent relocation, they are seeking to recruit a head of finance to join their dynamic management team, who will accept responsibility for all accounting, finance, company secretarial and administrative matters. You will also oversee the development of bespoke software for the Company's in-house mini computer as well as handling statutory matters, budget, cash flows, forecasting and all aspects of royalties associated with a film distribution company.

An ACA/ACCA, aged late twenties/mid thirties, you must have had strong commercial exposure and be able to adapt a 'hands-on' approach in your management style.

The salary package is negotiable and if you demonstrate the required level of commitment and capability, career prospects and rewards will be unlimited.

Interested applicants should contact Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive CV, quoting ref. 302, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

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### ACCOUNTANCY APPOINTMENTS

Appear Every THURSDAY

Rate £41 per Single Column Centimetre Plus VAT

For further information contact:

Louise Hunter on 01-248 4864

or Trevor Punt on 01-236 9763

## Investment Accountant/Administrator

Major Financial Services Group  
Portsmouth

Schroder Financial Management provides an integrated and comprehensive range of financial services to individuals, partnerships and private companies. We currently employ over 600 staff based in over 20 locations within the U.K.

The continued growth of the Group has created a need for an Investment Accountant/Administrator to run one of two sections within our Investment Administration Department, based at our Head Office in Portsmouth. Key tasks will include administration of, and accounting for, unit-trust funds; development of computerised investment accounting and administrative systems; and the preparation of management reports and annual accounts.

The ideal candidate will be either an experienced Investment Administrator or a qualified Accountant with at least two years relevant experience in an insurance/financial services environment.

In addition to a competitive salary, we offer a substantial package of benefits which includes a mortgage subsidy, non-contributory pension scheme, and full relocation assistance.

For further details and/or an application form, please write to or telephone:

Mr G M Keeley, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Road, Portsmouth, Hampshire, PO1 2AW.

Tel: Portsmouth (0705) 827733 Ext. 335.



Schroder Financial Management LIMITED

UNIT TRUSTS • LIFE ASSURANCE • PENSIONS • ASSET MANAGEMENT

## ADMINISTRATION/ FINANCE MANAGER up to £20,000

As manufacturers of home furnishings we are the market leaders in Europe and have a reputation for excellence that is reflected not only by the quality of our products, but by the people we employ.

Due to expansion at the London Sales Office, a vacancy has arisen for an Administration/Finance Manager. The ideal candidate will have an understanding of international business and the ability to develop excellent communications with the company and customers. He/she will be required to control a small but growing office with precision and discipline. Ideally you will be a professionally qualified or part qualified accountant with good knowledge of German as this position demands frequent contact with our German parent company.

Please write with full career résumé to: Gabriele de la Peña, Responsible Personnel Services, (Recruitment Consultants), 18 Dering Street, London W1R 9AP.

Please state any company to whom you do not wish your application to be forwarded.

Bastable Personnel Services

## FINANCIAL CONTROLLER PUBLIC RELATIONS

London W.1

c.£20000 + Car

Since its formation in 1977, Communications Strategy Limited has made a considerable impact on the world of Public Relations. Their rate of growth has been exceptional and they are now one of Europe's Top Ten PR companies. Few people working within this field are not aware of CSL's international success.

This kind of market presence has been achieved by the creation of innovative and highly inventive PR programmes and activities designed to realise their clients' business objectives.

Now, at the threshold of a new and exciting phase in their development they are seeking to appoint a qualified Financial Controller, aged 28-35. This position carries responsibility for all aspects of financial and management accounting for the company including financial improvement and control of overseas subsidiaries.

In addition, the position will rely heavily on a strong degree of commercial flair in order to play a full and active role in the growth of this progressive company, with a view to an eventual Stock Market listing.

Full C.V.'s should be sent to Stuart Rosen, Executive Recruitment Manager quoting reference SRUC611.

**HA Hays Allan**  
Chartered Accountants

The Financial Advisors with the Personal Touch.

SOUTHAMPTON HOUSE, 37 HIGH HOLBORN, LONDON WC1V 7NL. ALSO AT: CAMBRIDGE, CANTERBURY, EXETER AND READING

## Financial Planning Manager

London

To £25,000 + Car

The Client operates successfully in the office automation sector, marketing a wide range of high tech products in the U.K. and overseas, and generating a turnover in excess of £200 million.

The Role: which reports to the Financial Director, carries responsibility for the provision of a broad range of sophisticated financial information, achieved through a team of sixteen. Strategic planning, investment reviews, acquisition and competitor analysis and budget control will be key features.

The Candidates: should have had significant experience in most of these areas - ideally gained within a large company with a strong marketing orientation - and will have held managerial roles. An accountancy qualification is essential, a degree is preferred, and the age range envisaged is 28-38.

Applications please, quoting Ref. 214/1/FT, to S. C. Mackay, Charles Barker Management Selection International Limited, 30 Farringdon Street, London EC4A 4EA.

**CHARLES BARKER**  
SELECTION-SEARCH-ADVERTISING

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

PA To Chairman

Qualified Accountant

Cheltenham, to £20,000, Car

£12Mpa, profitable, a manufacturer and retailer of consumer durables, a success story in their own right, the company is an autonomous subsidiary of a major international plc. Future expansion plans are placing greater emphasis on effective management information and control systems and as a result has created the need for this new senior appointment. Reporting to, and working alongside the Chairman, key accountabilities will be for developing financial and business controls for the company's diversified product range including financial and budgetary planning, cost control, and systems development. Qualified accountants, ideally early 30's-40, should have managed the total accounting function of a medium sized manufacturing business and be capable of influencing colleagues as well as playing a full management role in the company. Commitment, commercial awareness, drive and enthusiasm and self-motivation are all key personal requirements of the successful candidate. Benefits are commensurate with this senior appointment which should lead to a Board appointment.

G. Sahle, Ref: 29659/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. John's Court, 78 Garside Street, MANCHESTER, M3 3EL.

## European Consultants

S.W. London based

to £20,000 + car

Our clients are an international organisation providing highly successful products and services to industry. As individual companies are left with considerable independence, a small high-calibre team is being set up to analyse operations and disseminate effective ideas throughout the Group. The role, therefore, involves reviewing all aspects of the business such as marketing projects, inventory control and product rationalisation. European operations are based in most of the capital cities and will involve about 50% away travel in 2-3 week spells with the opportunity to return home each week-end. Occasional trips to the U.S.A. and Canada are also envisaged. Applicants (male/female) should be Chartered Accountants aged around 30 who have a working knowledge of French and the potential to take on a Controllership role in 2-3 years. Ref: 1620/FT. Send c.v. (with telephone numbers) or write or phone for an application form to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

**Phillips & Carpenter**  
Selection Consultants

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# Accountancy Appointments

## Outstanding Accountants

London to £30,000 and a car

Price Waterhouse is a leading international business advisory and management consultancy. As a result of our continued growth we need more outstanding ambitious accountants for our London office to work on diverse assignments with a wide range of clients in government, commerce and industry. The Price Waterhouse consultancy practice is concerned not only with the development of practical and effective solutions to business financial problems, but also with their successful implementation. Our consultants work closely with

their clients to ensure that their recommendations are achievable. They also work alongside consultant colleagues with specialist expertise in computing, manufacturing, human resources, project management or economic services.

If you like the sound of our approach and are:

- a graduate
- aged 28 - 33
- ACA/ACCA/ACMA qualified
- experienced in energy, financial services or retailing

Then we offer:

- demanding stimulating multi-disciplinary assignments
- exposure to the latest financial and IT techniques
- freedom from routine
- excellent earnings and career progression.

Please write in confidence, with relevant career and personal details, to: David Prosser quoting MCS/3982 at Price Waterhouse Management Consultants Southwark Towers 32 London Bridge Street London SE1 9SY

Price Waterhouse

## Finance Manager

S.W. London

£18,000 + car

Our client is a newly acquired subsidiary of a major US advertising agency, working in a specialised market sector. A recognised leader in its field, it has a rising turnover of some £8 million with strong potential for future growth.

As Finance Manager you will report to the Chairman, and will be responsible for all aspects of financial control.

A key task will be the review and redesign of practical management information systems, particularly with reference to production work-in-progress, utilising micro/mini computers.

This position will appeal to a qualified

Accountant, with experience of installing computer systems in a small to medium sized company. Strong interpersonal skills and the ability to communicate accounting information effectively to non-financial executives are essential for this senior level appointment. Age indicator: late 20's - early 30's.

The attractive salary package will be enhanced by generous fringe benefits and interested applicants should contact Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive C.V., quoting ref. 301, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Ross PLC group

A superb career move for a business-minded, Ambitious, Entrepreneurial yet disciplined FCA.....

## Group Financial Director (designate)

South East

circa £33,000 + substantial benefits

Rarely do opportunities arise for an individual to make an immediate impact on both their own and their employer's future. This is such an opportunity.

With some £140 millions of turnover from three distinct trading divisions, our client has built a superb reputation for service and reliability with its customer base. Considerable investment in computerisation and an agreed plan developed by the recently appointed Chief Executive (who has a major shareholding), makes this publicly quoted company an exciting prospect for development and expansion and this has identified the need for a Group Financial Director, (designate).

Reporting to the Chairman and Chief Executive, the successful candidate will be part of a very small central management team which is concerned not only with the monitoring and development of the existing businesses, but also for the Group's further expansion, be it by acquisition or organic growth. The skill and experience our client seeks is simple and yet demanding. Aged between 33-40 you will more than

likely have a Bachelor's Degree as well as being a Chartered Accountant and will have had a first class training from one of the Country's leading practices before entering into commerce or industry. Acquisition investigation, group consolidation, detailed cash forecasting, management information systems and budgetary control, you will treat as second nature, for the central team is no 'ivory tower' - it is a totally 'hands-on' working environment. Candidates whose experience is within a service or trading environment rather than a manufacturing one, will perhaps find our client's business more easily understood.

Together with an excellent base salary - which will be negotiated with the successful man or woman, a substantial benefits package is also available.

Please telephone for an application form or, better still, send complete career details to: Timothy Read, Moxon Dolphin & Kerby Ltd, 178-202 Great Portland Street, London W1N 5TB, telephone 01-631 4411, quoting reference number 2639. The strictest confidentiality will be maintained.



EXECUTIVE SEARCH & SELECTION

## Financial Systems Development Manager

Age 26-32 West London c £22,000 + Car + Bonus

Our client is the sizeable UK subsidiary of a major international group, which has an established reputation for both its high quality products and its growth success. Its latest and largest programme requires the appointment of a Senior Manager to join its central finance team to co-ordinate the Financial Systems Developments resulting from a major investment project. The brief of the position warrants regular contact with senior levels of management from all functions and therefore requires an individual seeking a highly visible role supported by strong communication skills.

The technical content of the role will include: the implementation and development of software packages and specifically the introduction of an advanced financial database; responsibility for financial micro-computing developments; the financial interface with major new developments in production, inventory and capital control systems as part of a Computer Integrated Manufacturing

programme; all ad hoc situations arising from the development programme which require financial input or support.

The systems content of the position will require experience in the development of mainframe and micro-computer accounting systems, either gained in industry or within a Management Consulting role. The more creative and analytical aspects of the role will require innovation and self-motivation. The successful candidate will have a recognised accounting qualification, although in exceptional circumstances relevant experience will be considered in isolation.

Promotional possibilities from this highly visible role are very wide, both within the UK or the larger international Group.

Interested individuals should telephone Karen Wilson, BA, ACMA on 01-439 6911 (including evenings), or write enclosing a CV and current salary details to: Financial Management Selection Ltd., 21 Cork Street, London W1X 1HE.

Financial Management Selection

## Divisional Finance Director - f.m.c.g

around £30,000 plus car and benefits

Our clients, already a major force in their retail sector, are engaged in a programme of continuing growth and development. This Division is a significant part of the public group and the Finance Director will join a young team of experienced managers. Supported by an established finance department, his/her role will be that of a pro-active member of the divisional board, analysing performance, identifying trends and influencing new policies to make a direct contribution to the Division's profitability. Qualified applicants (male/female) must be able to demonstrate similar involvement in their career so far, which should have included experience in a fast-moving and rapidly changing environment. The age indicator is under 36. Location - Home Counties, Ref. 1621/FT. Write or telephone for an application form or send full details (with telephone numbers and current salary), to R.A. Phillips, AGIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0158 (24 hours).

Phillips & Carpenter Selection Consultants

## Financial Director Designate

London

£25,000 plus car

Our client is a highly successful British group operating in a specialised sector of the construction industry. This key position has arisen within their international engineering consultancy.

As an active participant in the financial management of the company the job holder will be responsible for providing a total accounting service. Specific duties will include the preparation and presentation of financial information, budgeting, forecasting, cash and credit control. There is an urgent requirement to develop the accounting systems and policies.

The nature of the role necessitates an individual with considerable drive and initiative who can demonstrate a practical approach to problem solving. Interpersonal skills are as important as technical competence.

Candidates will be qualified accountants, probably aged over 30, with broad financial expertise and proven management experience.

The group is committed to a policy of growth and is actively seeking to expand its professional engineering services through acquisitions and mergers. The successful applicant can therefore anticipate opportunities for longer term career development within the group.

Please send a detailed CV, quoting reference F/1361/G, to Mike Gostick at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

## DEPUTY CHIEF ACCOUNTANT (DESIGNATE) c.£18,000

We plan to have fully computerised our accounting systems in about 2 years, and as the installation will coincide with the retirement of the Deputy Chief Accountant, we have decided to appoint another qualified accountant now. He, or she, will work specifically on the computerisation project for the first year and gradually take over other duties including administration of the budgetary control system and the full range of management accounting.

Experience of a computerised system in a commercial environment is essential and ideally the successful candidate will have been involved with designing and installing systems and be

able to anticipate the sort of problems that may occur. If you can also demonstrate that you can manage and get the best out of people, working with a highly competent and very busy team, then you may well be our number one choice.

Excellent conditions include 23 days annual holiday, increasing with service, a contributory pension plan with free Life Assurance, interest free season ticket loan scheme, and a subsidised Staff Luncheon Room.

Send detailed CV including your current position and salary to Miss J. W. Collinson, Personnel and Training Manager, The Law Society, 113 Chancery Lane, London WC2A 1PL.

THE LAW SOCIETY

## FINANCIAL CONTROLLER

c.£17,500 plus Bonus

**COMPANY:** The UK Holding Company of a quoted US Group with interests in energy, consultancy and leasing. Small in personnel terms but managing assets of \$100 million.

**LOCATION:** Currently offices are in the West End but there is a possibility of relocation to the Windsor-Maidenhead area within the next 12-18 months.

**POSITION:** Financial Controller reporting to the Chief Executive. Covers all areas of financial management and control, including preparation of statutory accounts, consolidations and budgets, and preparation of monthly information for submission to United States. A working knowledge of corporate tax would be an advantage. In addition, the Company makes full use of micro-computers and both experience and interest in this area is essential. Experience with Apple III and IBM PC would be a further advantage.

**CANDIDATE:** A young, recently or newly qualified Chartered Accountant looking for a first step out of the profession.

**COMPENSATION:** c. £17,500 plus bonus, BUPA and life assurance.

**APPLICATIONS:** In writing with complete CV, including full details of current employment and salary, quoting reference GDM on the envelope, in the first instance to our consultants:

DENHAM NASH LIMITED.

22 Ailsa Road, Twickenham, Middlesex TW1 1QW.

## Financial Controller

West London

c.£25,000 + Car

The Client: a fast growing business within a substantial electronics group, this company manufactures and markets advanced telecommunications/computing products, primarily for the burgeoning financial sector.

The Position: reporting to the Chief Executive, the Financial Controller will play a major role in the commercial management of the business, working closely with other disciplines. He/she will have specific responsibility for the design of financial policies, and for the effective provision of financial information, achieved through good accounting procedures and tight controls.

The Candidates: must be qualified accountants with substantial experience within a manufacturing company, ideally part of a large group. A commercial perspective is essential as is the ability to manage change effectively. The preferred age range is 28-38.

Please apply, quoting Ref: 213/1/FT, to S. C. Mackay, Charles Barker Management Selection International Limited, 30, Farringdon Street, London EC4A 4EA.

CHARLES BARKER SELECTION-SEARCH-ADVERTISING

## NEWLY QUALIFIED

## ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish this in our issue of Thursday, March 6, which will also contain several pages of advertisements under the heading of 'Newly Qualified Accountancy Appointments'. The advertising rate will be £40.00 per single column centimetre. Special positions are available by arrangement at premium rates of £49.00 per cent.

Newly qualified Chartered Accountants are never easy to recruit - don't miss this opportunity!

We will also be including in this feature a GUIDE TO RECRUITMENT CONSULTANTS and entries in the Guide will be charged at £90.00 which will include company name, address and telephone number.

For further details please telephone: LOUISE HUNTER on 01-238 4884

or TREVOR PUNT on 01-236 9763

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

# Accountancy Appointments

## Group financial director

North West, c£30,000, bonus + car



For a privately owned, £17 million turnover group whose current business is the provision of a range of repair and maintenance services for the marine and petro-chemical industries. Future growth will be based on diversification and decisive management leading to an eventual public flotation.

Your main responsibility will be the strengthening of financial management and discipline at all levels. Key elements will be the development of financial and strategic planning backed by DP based management information systems capable of fuelling an evolving business.

You should be a highly energetic qualified accountant with a hands-on style. Aged around 40, your record must indicate sustained achievement at controllership level in a substantial company with contracting activities.

Résumés please, including a day time telephone number to David Owens, Executive Selection Division, Ref: D167.

**Coopers & Lybrand associates**

Coopers & Lybrand Associates Limited  
Management Consultants  
St James House Charlotte Street  
Manchester M1 4DZ

## THERE ARE

**GREAT OPPORTUNITIES FOR RECENTLY QUALIFIED ACCOUNTANTS**

In the Thames Valley Area  
If you have recently qualified and wish to remain in the profession, then why not phone for further details:

Gerald Copley,  
FOREST ACCOUNTING,  
11-12 Gun Street, Reading,  
Tel: (0734) 587272

## ACCOUNTS MANAGER

Remuneration £18,000-£28,000  
Financial Controller for international diamond group in Central London with responsibility for all aspects of accounts and financial management of the group.  
Candidates should be aged 30-50 with a qualification from a UK accountancy body and have at least five years' commercial experience in an international business environment.  
Remuneration £18,000-£28,000  
Applicants should send a full CV to:  
Herold Everest, Wintford & Co.,  
Harford House,  
101-103 Great Portland Street,  
London W1M 6SH  
MARKED WITH REFERENCE MI

## FINANCIAL DIRECTOR

TO £40,000 + CAR, BONUS AND BENEFITS  
LONDON

This well established British retail company has outlets throughout the UK and its sales exceed £100 million per annum. Its excellent reputation is founded on quality products. The business aims to increase its visibility significantly in the short term and is undergoing a preparatory period of re-organisation.

The Finance Director will work closely with the Managing Director and other members of the board on strategic issues. Managing a large team, the person appointed will be responsible for the provision of meaningful information to senior managers. There will be an emphasis on treasury management and taxation.

You should be a qualified accountant in your mid/late 30's. Your experience will include leading the finance function of a major company and recent exposure to retailing or a sales led company will be distinctly advantageous. Strong organisational and management skills are essential as is the ability to react positively to a diversity of demands and to drive change in a dynamic environment.

Please reply in confidence giving concise career, salary and personal details quoting ref: L105 to: Slade Consulting Group (UK) Limited, 2 Bedford Square, London WC1B 3PA. Tel: (01) 580 4766.

Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch • London

**SLADE CONSULTING GROUP (UK)**

## Finance Director

Oldham Claudgen

W. Yorkshire

c£22,000 + car

Oldham Claudgen Ltd is an autonomous subsidiary of a major public group. Employing over 500 people, with a profitable t/o of £15m, it is one of Europe's leading companies in sign manufacture, signs and lighting maintenance and commercial heating.

The Finance Director will be totally responsible for the finance and D.P. functions, via a department of 19 staff. In addition to the normal internal control and group reporting responsibilities, the successful applicant will be expected to continue the development of integrated computer systems and to play an influential role in the commercial management of

the company by advising the Board on new profit opportunities, potential acquisitions, etc. Candidates, aged 30+, should be qualified accountants, with a strong track record in manufacturing financial management, utilising sophisticated D.P. systems, together with a high degree of commercial awareness, managerial and communicative ability.

Relocation facilities are available where appropriate. Interested applicants should write to Barry Ollier, quoting reference L8205, at Michael Page Partnership, 13/14 Park Place, Leeds LS1 2SJ. (Tel: 0532-450212).



**Michael Page Partnership**

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Page PLC group

## Financial Controller

To £27,500 + car, bonus etc  
Sussex

Our client is a rapidly expanding UK subsidiary of a prominent US multinational and manufactures high technology equipment used in the manufacture of electronic components.

As part of the company's continuing development plans there is now a need to recruit a Financial Controller in order to develop, control and co-ordinate effective accounting, budgetary and financial planning systems. The successful applicant will be part of the

senior management team and report directly to the Managing Director.

Applicants aged 28 to 45 in possession of a major accounting qualification must be able to display a successful track record in financial management. It is of paramount importance that applicants can demonstrate an energetic and outgoing attitude to life and business.

In addition to salary, benefits will include a car, non-contributory pension scheme and discretionary bonus

relating to personal effort and company profitability.

Candidates can apply in confidence enclosing a full CV and current salary and quoting MCS/7182 to: Michael D. Madgwick, Price Waterhouse Management Consultants, Executive Selection Division, Southmark Towers, 32 London Bridge Street, London SE1 9SY

**Price Waterhouse**

## MIDDLE MANAGEMENT PLANNING

This marketing orientated UK leisure Group seeks a young ambitious accountant with strong analytical skills. Assisted by a small team, the Financial Planning Manager will be responsible for review/interpretation of monthly management information, planning, forecasting and project evaluation. Applicants should be qualified accountants or MBAs with excellent communication skills and acute commercial awareness. Ref: CW. C. LONDON c.£18,000 + Car

## RETAIL

Re-organisation has created a management accounting role within this substantial, autonomous division of a household name retail group. Effectively a joint No. 2, the Retail Accountant will review branch expenses and profitability and set targets, as well as producing plans, forecasts and budgets, developing systems and managing four staff. Rapid growth ensures exceptional prospects. Ref: GR. C. LONDON £17,000 + Car

## NEWLY QUALIFIED

A major US hi-tech corporation seeks a young, newly qualified accountant to join its financial management team. Managing five staff, you will gain exposure to both financial and management accounting areas. Responsible for the revenue cycle you will also be involved in revenue analysis, lease accounting, pricing strategy, product line P&L accounts and systems development. Ref: JG. S. LONDON c.£15,500 + Car

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

**ROBERT HALF**

FINANCIAL RECRUITMENT SPECIALISTS

LONDON, BIRMINGHAM, NEW YORK & 82 OTHER CITIES WORLDWIDE

## Financial Controller

... with the emphasis on development of management information and financial planning systems

c £25K +

London

My client is part of a dynamic and substantial international banking and finance group with very ambitious plans for its operations in the British market.

This new appointment has a high profile role operating at Senior Management level. Responsibilities include development of financial controls, instigating effective management information systems, financial product evaluation, contributing towards the corporate planning function and managing a small team.

You would have a broad brief to develop the finance function within an entrepreneurial, forward-thinking organisation. This is an excellent career opportunity.

You should be a qualified accountant, probably late 20's/early 30's and ideally with experience gained in a financial services organisation.

The benefits package is attractive too and includes a car, bonus, mortgage subsidy and relocation expenses where appropriate.

Please send - in confidence - your C.V. to Philip Blairbridge ref. B.35017 Selection Consultant.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australia and Asia Pacific.

**HAY-MSL**

FINANCIAL SERVICES

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Young Accountant

A development role with excellent international prospects

Western Home Counties, c £16,000, Bonus, Benefits

The company has profitable world-wide sales of £400m, generated by manufacturing and trading subsidiaries in the USA, Europe, Australia and the Far East. An accountant is now required to join the small headquarters-based planning and control team. Reporting to the Financial Controller, responsibility is for the collection, analysis and interpretation of financial information from four major profit centres. The production of basic information is largely automated, so a considerable proportion of the work consists of special projects and other non-routine assignments. Candidates, aged 25-27, must be graduates and qualified accountants. Some exposure to headquarters accounting and international consolidation is essential. Good communications skills, initiative, and willingness to work as part of a team are vital personal qualities. Some overseas travel will be necessary. An early move into a senior financial position with an operating company is envisaged.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to S.P. Spindler, Hoggett Bowers plc, 36 High Street, Eton, WINDSOR, SL4 6BD, 0753 850651, quoting Ref: 2403077

## Group Taxation Manager

Central London

up to £40,000

Our client is the parent company of a large international group. They are seeking a group taxation manager with substantial experience of international tax affairs.

Reporting to the General Manager Finance, this key executive will be responsible for providing advice on complex taxation matters. In addition to a thorough understanding of UK requirements, international experience especially of US, Dutch, Southern African and Australian regulations would be particularly relevant. With responsibility for the management of a small professional team, the role also demands the vision to adopt an innovative approach.

The ideal person will be professionally qualified and a member of the Institute of Taxation. It is unlikely that anyone with less than ten years' senior experience in either a multinational, professional practice or the Inland Revenue will have sufficient experience to be considered.

The rewards for this position include a salary of up to £40,000, an executive car and benefits in line with a major international group. Please write in confidence to JP Cornish (ref 2001).

**KMG Thomson McLintock**

Management Consultants  
70 Finsbury Pavement London EC2A 1SX

## TAXATION ACCOUNTANT

Age 28 - 35

To £18,500 + Car

West of London

This is a new position in an expanding tax department of a major British electronics group of companies with substantial worldwide interests.

Initially dealing with UK taxation matters of a sub-group, it is envisaged that the appointee, within a short period of time, will be able to participate actively in the UK group tax planning and deputise for the Group Tax Manager. There will be an opportunity to develop into international tax.

Candidates must be chartered accountants with 3 years post qualification experience in corporate tax.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2352/FT to W.L. Tait, Executive Selection Division.

**Touche Ross  
The Business Partners**

1 Hill House 1 Little New Street London ECAA 3TR Tel: 01-353 8011



## Finance and Administration Director

PRS is a rapidly growing business consultancy specialising in strategic planning, database services and business publications. PRS is appointing a Finance and Administration Director.

The successful applicant will be c. 30 years of age, with no less than three years' demanding financial accounting experience in a fast-moving international company. Considerable computer-based accounting and operating experience is required. PRS is looking for a well-rounded person with administrative experience. A preferred applicant will be a Chartered Accountant and may possess a good MBA.

A salary of £30,000 is offered plus a performance-related remuneration package which may amount to 10%-20% in addition to the base salary, plus private health scheme, pension and company car.

Applications can be made in confidence to:

John Martin, Managing Director  
PLANNING RESEARCH & SYSTEMS PLC  
24 Old Bond Street, London W1X 3DA



# Accountancy Appointments

## Group financial controller

London, to £40,000



For a long established and nationally known name in the field of publishing and printing renowned for its high professional standards and with a turnover in excess of £150 million. The group is investing heavily in new technology to meet the challenges of the 1990s.

Reporting to the Financial Director you will play a key role in the business assuming full responsibility for the group's financial and management accounting functions. Initially the emphasis will be on the development and implementation of improved management reporting systems but there is also much to be done in extending the function's influence on the bottom line.

A qualified accountant in your mid to late thirties you must have substantial commercial or industrial experience in a controller role although knowledge of the industry is not a prerequisite. You should have extensive experience of developing computerised financial and business control systems. Ambitious and energetic with first class interpersonal skills you will already have made your mark in the financial function.

Resumes including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. SF451.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited management consultants  
10 Bouverie Street  
London EC4Y 8AX

## Do you rate treasury management...

As highly as we do? We see major opportunities for improving our clients' performance and profitability. As the UK's largest and fastest growing firm of financial and management consultants, Coopers & Lybrand Associates brings specialist expertise to the challenge of effective treasury management. Our consultants are helping senior executives in the UK and Europe to review and assess their treasury organisation, operations, information and systems needs in this fast emerging area.

We need a senior professional to strengthen our consulting team in this exacting discipline. A treasurer in your thirties, either running the treasury operations of a medium sized organisation or number two in a larger company, you will almost certainly be a member of the Association of Corporate Treasurers. Add to this qualification a wide technical knowledge of the treasury function and the capacity to

implement change in organisations and systems and you could be the person we are looking for.

You will play a wide-ranging role. You might be required to assist with establishing a treasury department, assess the profitability of different treasury functions, design and implement treasury information systems for an international group or advise a client on asset liability policy. Working in this complex environment you'll need technical ability, personality and superlative communication skills to deal with the most senior levels of management.

Based at our London office you can expect a salary of up to £35,000 plus car and the chance of rapid career development. If you think you could meet this challenge, send a full career resume plus daytime telephone number quoting Ref. F01/24 to Murray MacFarlane, Coopers & Lybrand Associates, Plumtree Court, London EC4A 4HT.

Coopers & Lybrand

For business committed to growth.

## Accountant with an edge

We could ask for a highly-motivated, dynamic accountant who has the drive and imagination to run the accounting operation of a major, forward-looking pensions organisation with assets of £1.8bn.

We could say that the individual we want is likely to be a graduate and Chartered Accountant with at least 3 years' post-qualification experience in a relevant environment such as another pension scheme or insurance company.

We might also mention that this post offers a unique challenge for an innovative person who will relish the opportunity of setting up and running a flexible operation which will need to develop with the rapidly changing demands of the organisation.

What we will say is that we want someone with all this - and more, to provide a full accountancy service covering all aspects of British Airways pensions.

The remuneration package is around £20k plus all the advantages you would expect from 'the world's favourite airline', including favourable holiday travel opportunities, holiday bonus, contributory pension scheme and profit sharing.

IF YOU HAVE THE SPECIAL QUALITIES WE NEED, WE WANT TO MEET YOU - NOW. Please send full cv to Gillian Fagg, Recruitment and Selection, British Airways PLC, 'Meadowbank', PO Box 59, Hounslow, Middlesex TW5 9QX.

## Accounting Manager for BA Pensions Osterley



BRITISH AIRWAYS

The world's favourite airline

## Manager - Investment Review

Major £multi-million British group

Midlands

£20,000 + car

Our clients are amongst the leaders in their f.m.c.g. market and have an enviable reputation in the City and with the general public. They now seek to strengthen the central finance team by the appointment of an important member who will have regular contact with executive directors.

Ideally in your early 30s you are likely to be a Chartered Accountant with a business degree. Since qualifying, you will have obtained sophisticated experience with a large group.

Working closely with subsidiary companies you will provide executive directors with

information necessary to control the group's investment policy. In addition to this you will be involved directly in the implementation of divisional investment proposals.

The career opportunities in this progressive group are outstanding and the range of benefits - including, if necessary, relocation assistance to an attractive location - are comparable with other major employers.

Please write, enclosing career/salary history and daytime telephone number to David Hogg FCA quoting reference J379/MF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

## ACCOUNTANT FOR SYSTEMS CONSULTANCY

TO £25,000 + CAR LONDON

This National firm of Chartered Accountants has developed a highly successful Computer Consultancy group. The firm's large and diverse client base offers exciting potential for the group's expansion.

As a Manager in this group, you will guide clients through the planning, selection and purchase of computer systems. You will join a young enthusiastic team of colleagues who work with client staff on implementation.

Probably aged 28 to 35, you will be a qualified accountant with practical experience of micro and mini computers, and accounting software packages. Involvement in consulting activity would be an advantage. Communication skills, energy and commitment are the personal qualities essential for this position.

Please reply in confidence, giving career, personal and salary details to: Martin Lawless, Slade Consulting Group (UK) Limited, 2 Bedford Square, London WC1B 3RA. Tel: 01-580 4766.

Executive Selection Consultants  
Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

## Exceptional opportunity with a leading US Financial Institution

Accountant - Gilts

Newly Qualified ACA

City Based

Our client is in a prime position to take full advantage of the 'Big Bang' later this year and seeks a commercially minded accountant with the ability to develop a fast stream career in the finance sector. As a member of a management team, initial areas of responsibility will include the development of financial control and systems, which will involve a high degree of sharp end exposure with non-accounting staff.

You will have already established an excellent track record to date within the profession and will now be looking for a move that will enable you to use your drive and initiative to the full. Prospects are excellent and remuneration will reflect the importance of the position.

If you feel you meet these exacting requirements, please contact Hugh Everard, on 01-831 2000 or write to him, enclosing a comprehensive curriculum vitae, quoting L2067, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Page PLC group

## Director of Investor Relations

International Consultancy

Our client is a member of an international advertising, marketing and public relations consultancy group with an enviable growth record. The company is a leader in the field of international investor relations consultancy and wishes to appoint a Director to manage and develop its business in this growth area.

Central London

Responsibilities will encompass the management of a high-level team of IR consultants working for major UK and overseas companies, direct personal control of selected major clients, business development, budgeting and control systems, the development of new services and personnel recruitment and development.

Salary Negotiable

The successful candidate will be educated to degree level at least, will have several years experience in investor relations consultancy or

alternatively, in investment banking, institutional investment or investment analysis and will have a good understanding of the financial communications business and a wide range of contacts in the financial community.

This appointment is being made at a senior level and this will be reflected in the remuneration package which is negotiable and will include a company car and participation in the company's profit sharing scheme.

Please apply in confidence, giving comprehensive career, salary and personal details and quoting Ref. ER835 to Brendan Keenan, Executive Selection.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NF.

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

## Young Financial Analysts International Financial Services

£18K package

Surrey

Our client is one of the largest British financial organisations deriving two thirds of its income from overseas and offering a wide product range. They are now looking to strengthen their corporate accounting function by appointing two young qualified accountants probably in their 20's.

Key tasks will be the production and interpretation of group accounts including variance analysis and monitoring of results, provision of financial information to management and external bodies, contributing towards the development of group reporting and project work. You should display the potential and capacity to undertake other responsibilities in due course.

You should have a minimum of two years' related experience of consolidations and financial accounting generally and be familiar with computerised financial systems.

The benefits package is very competitive and includes mortgage subsidy and season ticket loan. Career prospects are considered to be very good.

Please send your C.V. to Philip Bainbridge, Selection Consultant, ref. B-35016.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL

FINANCIAL SERVICES

## NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

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Newly qualified Chartered Accountants are never easy to recruit - don't miss this opportunity! We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the Guide will be changed at £50.00 which will include company name, address and telephone number.

For further details please telephone:

LOUISE HUNTER

on 01-238 4264

or

TREVOR PUNT

on 01-238 3763

Financial Times

EUROPE'S BUSINESS NEWSPAPER

# Accountancy Appointments

## CLIENT TRAINING SPECIALIST

International CAs—London £15,000+

Ernst & Whinney is one of the fastest developing accountancy firms with a continuing commitment to diversified practice growth.

An important new career opportunity can now be offered to an experienced Chartered Accountant in the further development of training services to client companies. Supported by first class professional resources you will design, prepare and present courses and seminars to meet identified client needs. Of key importance will be the generation of original ideas, and the ability to communicate and to consult.

Aged in your mid to late twenties you will need to bring to the position an impressive academic background and experience both of major accounting firm client work and professional training.

Relocation assistance, where appropriate will be provided.

Please write with full c.v. to Barry Compton.

**E&W Ernst & Whinney**  
Accountants, Advisers, Consultants.  
Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

## A Key Role in Oil Industry Taxation

Total Oil Marine is a substantial North Sea operator committed to an expanding programme of offshore activity. Currently the supplier of around 40% of the UK's natural gas, Total is developing the Alwyn North field scheduled to come on stream by late 1987, as an important new source of both oil and gas for Britain.

Based at its West End HQ, the Corporate Tax Department plays a central role in the development of tax-effective commercial policies and strategies. Growth in the company's activities has resulted in an immediate need for a tax specialist, with oil industry experience, to strengthen this small team.

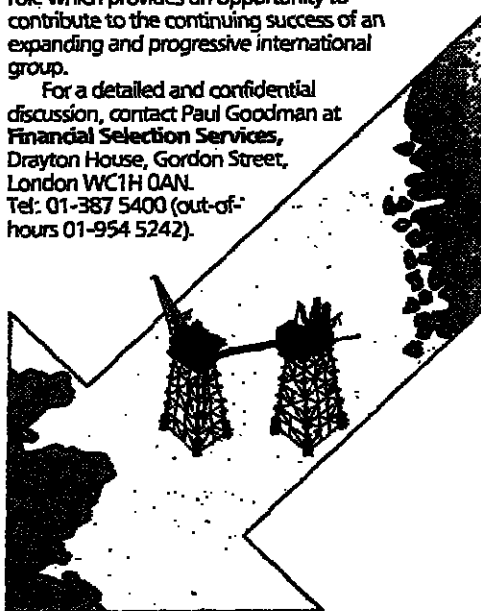
Reporting directly to the Head of Corporate Tax, you will assist him in providing professional advice to senior management on all tax matters. You will take particular responsibility for the submission of PRT expenditure claims and their negotiation with the Inland Revenue, and be involved in determining Total Oil Marine's liability for corporation tax.

The salary for this important appointment is highly competitive and is likely to attract a qualified accountant, ideally aged between 25-29 with a high level of technical and personal skills. Experience in basic elements of UK oil taxation and PRT is essential, gained

either within the oil industry or in the accountancy profession.

Above all, you will be ready to accept the challenge and responsibility of this high-profile role which provides an opportunity to contribute to the continuing success of an expanding and progressive international group.

For a detailed and confidential discussion, contact Paul Goodman at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN. Tel: 01-387 5400 (out-of-hours 01-954 5242).



**Total Oil Marine**  
Bringing energy ashore

## INVESTMENT ACCOUNTANT

c. £20,000 + car + benefits

The SUN LIFE Assurance Group is one of the leading life assurance companies in the U.K. with total funds under management in excess of £3.5 billion. We have recently launched a unit trust company and have moved very positively into the segregated fund market. Our investment organisation in London has been strengthened to take advantage of the growth opportunities for all our investment management services.

The Accountant will take charge of a new department being created in London to carry out investment accounting and will be the Accountant to SUN LIFE Investment Management Services Ltd.

The successful candidate will play a key role in the development of existing and new computer systems.

Applicants should be qualified accountants with good experience of computerised systems and with relevant experience of financial services.

A competitive remuneration package is offered which includes mortgage subsidy, fleet car, profit sharing, non-contributory pension and medical insurance schemes.

Financial assistance will be provided if the successful applicant has to move to the area.

Written applications including a full c.v. should be sent to:

Mr. R.R. Brooke,  
Group Accountant,  
SUN LIFE Assurance Society plc,  
P.O. Box 290,  
Sun Life Court,  
St. James Barton,  
BRISTOL BS99 7SL.



SUN LIFE Assurance Society plc

A&E

## FINANCIAL CONTROLLER

c.£29,000 + Car + Benefits

Lee Valley is one of the largest statutory water companies, supplying a population of over one million in an area of 860 square miles from the North London Boroughs to rural Essex, Hertfordshire and Bedfordshire. Annual income is just over £20 million.

The Company is seeking a forward looking qualified accountant to be responsible for the entire finance function with a staff of over 50. As a member of a small management team you will be in the top finance position developing new initiatives and meeting the needs of line management and the non-executive Board for high quality financial information. You will be joining the Company at a time of considerable change and therefore new challenges will emerge.

Proven experience of financial management at a senior level, together with a high degree of communicative skills are essential. Financial planning and the development of information technology are high priorities of the post.

Age range 30-45. Location Hatfield, Hertfordshire. Assistance with both relocation expenses and mortgage will be given where appropriate.

Applicants should send a detailed curriculum vitae in confidence to J.F. McGowan, General Manager, Lee Valley Water Company, P.O. Box 48, Bishops Rise, Hatfield, Herts AL10 9HL. The closing date is 21st February 1986.



LEE VALLEY WATER COMPANY

## Financial Planning Controller

£20,000 + bonus + car Watford

For Ladbroke Hotels 1985 was a year of rapid expansion which included the acquisition of a major hotel group.

Our plans for 1986 and beyond are equally ambitious — the capital budget for the enhancement of existing hotels and completion of the current building programme is well in excess of £20 million for this year alone, and an almost continuous stream of new projects flow through our business.

We are now looking to recruit a profit minded senior executive to head up the planning control function. The environment is one of controlled but exciting growth and you will be part of the small central executive team reporting to the Finance Director.

The job is very much a hands-on role, and it will not suit a stereotyped accountant nor a think-tank planner. It requires a strong personality and high commercial awareness to be able to participate alongside Directors and General Managers. You will be responsible for the co-ordination of the Division's plans, assessment of results, appraisal of acquisitions and disposals and control of the central budgets.

If you are attracted to the challenge and responsibility and you know you could stand the pace we would like to hear from you. Age range 28-35.

Please send your c.v. including details of your current salary to Martin Gatto, Finance Director, Ladbroke Hotels, PO Box 137, Millbuck House, Clarendon Road, Watford WD1 1DN.

**Ladbroke Hotels**

## Accountant

... Onshore Oil Exploration & Production

c.£16,000

Nottinghamshire

Our client is B.P. Petroleum Development Limited. This appointment is an excellent opportunity for a commercially orientated accountant and is based at Eskring, Nottinghamshire, headquarters of onshore exploration and production.

Reporting to the Head of Accounts, you will supervise the service to local and head office management and joint venture partners. The role includes generation of management information, statutory accounts and joint venture billings/reports. Responsibilities include maintaining effective financial and cost accounting systems and contributing to future systems development.

The successful candidate will be a qualified accountant, aged about 30, with at least 5 years post qualification experience, and preferably a graduate. Your career record will show progress to a supervisory role including budget preparation and familiarity with computer systems in a commercial environment, ideally the oil industry.

Benefits include competitive salary, non-contributory pension, relocation assistance and other major company benefits. Career development opportunities are excellent.

Please write — in confidence — to John Lilley ref. B.75405.

This appointment is open to men and women.

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MANAGEMENT SELECTION

### Contracts and Tenders

#### Kenya Airways

#### TENDER FOR ADVERTISING

TENDERS ARE INVITED FROM ADVERTISING AGENCIES TO UNDERTAKE:

- (a) Media advertising in Kenya and overseas locations;
- (b) Production of display materials for use in Kenya and abroad;
- (c) Production and/or design work for giveaway and promotion items which may be produced locally or overseas; and
- (d) Production and/or design materials for use during special events, promotions or exhibitions.

Tender documents may be obtained from London Office, Kenya Airways, 16 Conduit Street, London W1. Tenders in plain sealed envelopes marked "confidential tender for advertising" without further indication of the contents should be addressed to The Company Secretary, Kenya Airways, PO Box 19002, Nairobi, or delivered to the Tender Box in the Company Secretary's Office, 3rd Floor, Kenya Airways Headquarters Building, Embakasi, Nairobi, so as to reach him by noon GMT on February 13th, 1986. Kenya Airways shall not be bound to accept the lowest or any tender.

K. S. BHULLAR  
Company Secretary

#### Kenya Airways

#### TENDER NOTICE

RENEWAL OF THE INSURANCE COVERS FOR 1986/87

Tenders are invited for aviation and non-aviation policies and medical insurance scheme for a period 1 April 1986 to 31 March 1987. Tender documents are obtained from London Office, Kenya Airways, 16 Conduit Street, London W1. Tenders in plain sealed envelopes marked "Confidential tender for renewal of insurance covers 1986/87" without further indication of the contents, should be addressed to The Company Secretary, Kenya Airways, PO Box 19002, Nairobi, or delivered to the Tender Box in Company Secretary's Office, 3rd Floor, Headquarters Building, Embakasi, Nairobi, so as to reach him by noon GMT on 13 February 1986. Kenya Airways shall not be bound to accept the lowest or any tender.

K. S. BHULLAR  
Company Secretary

### Company Notices

#### MORTGAGE BANK OF FINLAND OY

US\$15,000,000

8 1/2% 1971-1986

#### FINAL REDEMPTION

The Holders of the above mentioned Bonds are hereby informed that the amount remaining outstanding after February 15, 1985 i.e. U.S.\$1,500,000 is redeemable at par on or after February 15, 1986. Bonds should be presented for payment at the offices of the paying agents set forth in the prospectus and the conditions of the Bonds.

Furthermore it is recalled that the following Bonds, drawn in previous years have not yet been presented for payment:

| 1981        | 1985          |
|-------------|---------------|
| 475 - 476   | 741           |
| 803 - 809   | 7380          |
|             | 7603 - 7613   |
| 1984        | 7773 - 7774   |
| 3416        | 9499 - 9501   |
| 3542 - 3549 | 9799          |
| 3564 - 3566 | 10534 - 10535 |
| 5150 - 5151 | 10757         |
| 5219        | 10829 - 10830 |
| 5222 - 5223 | 10921 - 10922 |
| 5285 - 5286 | 11024         |
| 5470        | 11028         |
| 5492 - 5493 | 11120         |
| 5688        | 11309         |
| 5846 - 5855 | 11335 - 11339 |

Banque Internationale à Luxembourg Société Anonyme Trustee

Luxembourg, January 30, 1986

#### LEUMI INTERNATIONAL INVESTMENTS N.V.

U.S.\$50 million  
Guaranteed Floating Rate Notes  
1990 Expendable at the Holders  
Option to 1993

The interest rate applicable to the Notes in respect of the six month period commencing Thursday, 27th February 1986 has been fixed at 8 1/2% per annum.

The interest amounting to U.S.\$4,740,000 on the outstanding amount of the Notes will be paid on Wednesday, 27th February 1986, at the offices of Citicorp Trust Company of New York, Practical Paying Agent.

#### Legal Notices

No. 00186 of 1986  
IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
AND THE MATTER OF  
WESTBURY HOMES GROUP LIMITED  
IN THE MATTER OF  
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 10th day of January 1986 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account by £2,275,000. AND NOTICE IS FURTHER GIVEN that the said Petition is directed to Justice Herman at the Royal Courts of Justice, Strand, London WC2A 2JG, Monday the 10th day of February 1986. ANY Creditor or Shareholder of the said Company desiring to oppose the making of an order for the confirmation of the said reduction of Share Premium Account should appear at the said time of hearing in person or by Counsel for that purpose. A copy of the said Petition will be furnished to any person mentioned Solicitors for payment of the required charge for the same. Dated the 25th day of January 1986.

FRESHFIELDS,  
Grindall House,  
25 Newgate Street,  
London EC1A 7LN.  
Solicitors for the above-named Company.

SVR has notified the others because of a policy of fair play and value for money. Supper from 10-11.30 am. Disco and top musicians, dancing hostesses, excellent courtesans. 180, Regent St. W1. 01-774 0557

مكتبة الأحرار



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# SECTION II - COMPANIES AND MARKETS

## FINANCIAL TIMES

Thursday January 30 1986

FOR QUALITY DEVELOPMENTS  
IN THE SOUTH AND MIDLANDS

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021-704-5111

### Strong quarter fails to halt Du Pont downturn

BY TERRY DODSWORTH IN NEW YORK

DUPONT, the largest US chemicals producer, registered an overall decline in earnings of 22 per cent last year, as it was hit by lower prices, weak demand and the slide in the dollar. The decline occurred despite a big jump in profits in the final quarter of 1985.

Net income amounted to \$1.12bn, or \$4.61 a share, against \$1.43bn, or \$5.93 a share in 1984, while sales slipped by 4 per cent to \$28.5bn from \$30.6bn.

In the fourth quarter, earnings totalled \$377m, or \$1.56 a share, compared with \$306m, or \$1.26 a share, as sales recovered to \$7.62bn from \$7.48bn.

Mr Edward Jefferson, chairman, said that the group was carefully examining contingency plans in light of the sharp decline in oil prices caused by the current imbalance between crude oil production and demand.

He added, however, that Du Pont was entering 1986 in a "stronger competitive position" following major restructuring charges, and had high expectations for many new products under development.

The impact of the sluggish conditions in the chemicals sector was demonstrated by a fall of 1 per cent in sales volume for the year, while average selling prices fell by 2 per cent, and capacity utilisation from 78 per cent to 76 per cent. After-tax

profits in this division fell by 18 per cent.

Last year's results were set back by two large non-recurring charges, associated with the reorganisation of the group. A provision of \$120m was set aside for restructuring three businesses and a further \$99m for an early-retirement programme.

The negative impact of these provisions was largely offset by \$209m of credits. The company had a gain of \$79m on the settlement of litigation, and a further \$130m reduction in pension costs resulting from the adoption of a new accounting standard.

Revenues in the latest quarter jumped by \$25m to \$53m primarily as a result of the inclusion of General Foods' results from November 1.

After the 1.4 per cent drop in 1984 net income, Philip Morris's earnings rebounded strongly in 1985, with net income rising by 41 per cent to a new peak of \$1.26bn, or \$10.47 a share. In 1984 the group earned \$7.24 a share.

Most of Philip Morris's industrial operations were sold last July boosting the group's net income by \$36m, or 32 cents a share, in 1985. By contrast, 1984 net income was depressed by the Ohio sawery write-off, which was the equivalent of \$1.19 a share.

The company's capital spending totalled \$97m in 1985. It said it expected capital spending during the five years to 1990 to total \$3.6bn. About \$775m will be spent in the current year.

The General Foods acquisition increased Philip Morris's outstanding debt by \$50m. This was initially financed through a four-year bank facility and other short-term floating-rate borrowings. Since then, more than half the new borrowings have been refinanced with domestic and international fixed-rate debt ranging in maturity from three to 12 years and carrying an annual cost of about 9 per cent.

At the end of 1985 FCA had a regulatory net worth of \$229.7m

and what Mr Popejoy considers a prudent capital base.

Despite the loan sales, the group's scheduled items, equivalent to non-performing loans, rose from \$1.73bn at end September 1985 to \$1.75bn at end December, or 6.38 per cent of total regulatory assets.

For the 12 months to end December 1985, FCA reported a net profit of \$53.5m or \$1.01 a share, compared with a net loss of \$590.5m, or \$15.53 a share.

The group noted it had also been able to continue to reduce its reliance on volatile institutional deposits which, at the end of 1985, made up 53.43 per cent of its deposit base. At the end of 1985 the proportion was down to 23.07 per cent.

At the end of 1985 FCA had a regulatory net worth of \$229.7m

### Earnings up 41% at Philip Morris

By Our New York Staff

PHILIP MORRIS, the US tobacco giant which took over General Foods for \$5.8bn last autumn, yesterday reported fourth-quarter net income of \$223m compared with a depressed \$105m in the final quarter of 1984 when the group wrote off \$146m on an Ohio sawery.

Revenues in the latest quarter jumped by \$25m to \$53m primarily as a result of the inclusion of General Foods' results from November 1.

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### Siemens plans to boost capital as year-end profits rise 43%

BY RUPERT CORNWELL IN BONN

SIEMENS, the leading West German computer and electrical group yesterday reported a rise of more than 43 per cent in group net profits for its financial year to September 30. The company also plans to seek shareholders' approval for future capital increases totalling up to DM 800m (\$338m).

Net earnings in 1984-85 at Siemens, which has already announced its intention to raise its dividend to DM 12 per DM 50 nominal share from DM 10 in 1983-84, rose from DM 1.07bn to DM 1.53bn.

Taking into account an increase in eligible capital during the period from DM 2.21bn to DM 2.39bn, the total payment to shareholders will rise to DM 573m from DM 442m in the year to September 30 1984. The traditional allocation to reserves will also be stepped up, to DM 572m from DM 363m.

Siemens's supervisory board gave no clue as to the precise timing of any capital operation. However, the company's annual meeting on March 20 will be asked to approve a three-part increase in nominal authorised capital of DM 800m.

The bulk of this DM 500m will cover new shares to which ordinary shareholders can subscribe, to be issued by March 1991. A further DM 150m will cover fresh stock reserved for Siemens employees, while a similar sum will cover one or more tranches of convertible bonds, to be floated by a foreign financial subsidiary of the group.

The facility will be open to the board for five years, and the conversion terms will be linked to Siemens' average share price in the 10 days preceding the issue of the bonds.

### Earnings slip at French oil group

By Paul Betts in Paris

ELF AQUITAINE, the big French state-controlled oil group, yesterday reported lower earnings of FF 5.2bn (\$706m) last year, compared with FF 6.5bn in 1984.

Consolidated group sales rose to FF 140bn last year from FF 137.7bn in 1984. Cash flow declined to FF 19.5bn in 1985 from FF 21.7bn the year before.

The French group invested heavily in 1985, however, with total investments rising to FF 27.5bn from FF 19.8bn the year before.

The lower 1985 earnings include the cost of Elf's settlement with Sir James Goldsmith's Basic subsidiary in a dispute over oil exploration in Guatemala. The earnings were also dampened by a special French government levy on domestic oil and gas producers.

Mr Michel Pequeur, Elf's chairman, described the 1985 earnings as satisfactory in a difficult oil industry environment. The company produced 17.25m tonnes of oil last year.

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### FCA recovery bolstered by sale of loans in quarter

BY WILLIAM HALL IN NEW YORK

FINANCIAL CORPORATION of America (FCA), parent of America's biggest savings and loan, which came close to failing in 1984, yesterday reported a fourth-quarter profit of \$97m after substantially bolstering its loan-loss reserves.

The latest figures contrast with a \$512m loss in the fourth quarter of 1984 and underline the steady recovery in the group's financial fortunes which has been greatly helped by the fall in US interest rates during the past 12 months.

FCA shares, which had traded as low as \$54 last year, rose by 9% to a 12-month high of \$124 in early trading yesterday.

FCA's fourth-quarter earnings included a gain of \$267.2m from the sale of loans. FCA said the sales were "the result of opportunities we

were able to seize in a favourable interest rate environment. The proceeds of the sale have been reinvested in mortgage-backed securities."

The group added \$156.4m in loan-loss provisions in the final quarter, boosting its total reserve against loan losses and property to \$574.8m.

Mr William Popejoy, who was brought in to head FCA after the resignation of most of the previous senior managers, said the high profits should not be expected in future quarters, "unless the interest rate environment continues to improve".

Mr Popejoy also noted that, despite the improvement in the company's financial position, FCA still does not meet the minimum regulatory net worth requirements

and what Mr Popejoy considers a prudent capital base.

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### Group lifts bid offer for Kaiser

By Our New York Staff

AN INVESTOR group led by Mr J. A. Fraites, an Oklahoma businessman, has raised the stakes in its bid for Kaiser Aluminum, the California-based aluminium group, with a \$21.50 a share bid against its previous offer of \$20 a share.

The revised bid, which has a face value of \$942m, follows an earlier move by the Fraites group to oust the current Kaiser management through a proxy contest for shareholder support. The Fraites interests already own around 18.6 per cent of Kaiser, which recently responded to the challenge with the announcement of a wide-ranging reorganisation aimed at raising new capital and "maximising shareholder value".

The new offer includes \$8 in cash, with the balance in debentures and preferred stock, along with common shares in the recapitalised company, which would provide stockholders with a continuing equity participation in the group.

The revised terms differ from the original bid in giving existing shareholders the possibility of remaining participants in the company. Under the original offer, shareholders were offered \$7 in cash and \$13 in securities.

### Boliden to seek full takeover of Ahlsell

BY DAVID BROWN IN STOCKHOLM

BOLIDEN, the Swedish mining, minerals and trading company, is bidding SKr 980m (\$129m) for the two-thirds of Ahlsell, a mixed trading and industrial company, which it does not already own.

Boliden, which holds 35.2 per cent of Ahlsell shares equal to 25.9 per cent of the votes has offered a package consisting of convertible notes and cash for the remaining stock, representing a 30 per cent premium to current market value.

It said yesterday the package had already been accepted by a consortium of Ahlsell's major shareholders who control a further 55 per cent of the votes. Ahlsell's board has recommended the bid.

Mr John Dahlfors, Boliden's managing director, said the deal will "create a strong industrial group with broad experience" - it will have total annual sales of more than SKr 12bn - although it has been noted that the two companies' operations apparently have little in common.

Boliden is primarily a producer of raw materials, while Ahlsell is active in a wide range of light industries.

Boliden said co-operation possibilities exist in such areas as materials production for the electronics industry, in the two groups' domestic and international trading operations and in the contracting sector.

The merger will cut Boliden's current dependence on metal and mineral prices which are subject to cyclical shifts, Mr Dahlfors added.

The deal will also dilute the power of the group's largest single shareholder, the Forsingest Investment Group (controlled by Mr Gustav Douglas) which now controls some 20 per cent of the votes in Boliden, although Mr Dahlfors denied that defensive considerations played a role in the group's decision.

Late last year, Boliden bought a 30 per cent stake in Forsingest in what was widely seen as a management attempt to discourage a possible takeover bid by the investment group.

Boliden said it was in discussions with AEG of West Germany and Alfa Laval - both members of the Ahlsell ownership consortium - which could lead to the two companies' participation in some form in the new Boliden-Ahlsell group.

Following the SKr 164m purchase of the consortium's shareholding, Boliden will control 44 per cent of the Ahlsell shares and 71 per cent of the votes.

It will offer two convertible notes in Boliden, each with a nominal value of SKr 55 (four of which may be exchanged for one Boliden share) plus SKr 30 in cash for the remaining Ahlsell share, worth a total of SKr 725m.

Holder of existing Ahlsell convertibles will have a choice between one Boliden convertible and SKr 43 in cash, or SKr 150 in cash worth a total of SKr 90m.

### Group lifts bid offer for Kaiser

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### US units hold back Imasco

By Robert Gibbons in Montreal

IMASCO, the Canadian tobacco products, fast-food and retailing group in which BAT Industries of Britain has a major interest, has reported lower-than-expected results in the third quarter. It blamed the downturn on problems with its major US drug stores operations.

In the first nine months ended December 31 net profit was \$210.3m (US\$148m) or \$31.93 a share against \$216.9m or \$31.78 a share earlier, on net revenues of \$83.7bn against \$82.7bn. Average shares outstanding were 108.9m against 102.4m.

Third-quarter earnings, were \$75.8m or 70 cents a share against \$68.9m or 67 cents on net revenues of \$31.1bn against \$31bn.

Mr Paul Pare, chairman, said Peoples Drug Stores in the US faced strong competition

### Crocker moves out of the red

By Our New York Staff

CROCKER National, US subsidiary of Britain's Midland Bank, reported net income of \$38m for 1985, after posting earnings of \$10m in its final quarter.

Mr Frank Cahonet, chairman, said the group had substantially strengthened its balance sheet and the quality of its earnings. In 1984 it lost \$324m.

Net interest income rose by 10 per cent in 1985 to \$719m. Provision for loan losses fell from \$527m in 1984 to \$110m in 1985. Other operating income fell by 31 per cent to \$277m, and operating expenses fell by 1 per cent to \$776m.

Assets shrank by 14 per cent to \$19.2bn in 1985. Primary capital ratio improved from 6.33 per cent to 78.21 per cent during the year.

### CIBC plans Swiss float

By John Wicks in Zurich

CANADIAN Imperial Bank of Commerce (CIBC) plans to float its shares on Swiss stock exchanges.

### Flotation will value Wellcome at £1bn

BY LUCY KELLAWAY IN LONDON

SHARES in Wellcome, the largest private company ever to be floated on the London Stock Exchange, go on sale on Friday at 120p each, placing a value on the pharmaceutical group of just over £1bn (\$1.4bn).

Wellcome is wholly owned by the Wellcome Trust, a charity, which is selling 180m shares to raise £195m, reducing its stake in the group to 75 per cent. The company itself is selling a further 42.8m shares, raising £45m.

The prospectus, which will be published tomorrow, displays a more lenient approach towards multiple applicants than other recent flotations, and gives no indication that shares will be turned away.

Multiple applicants in the Leiza Ashley issue were automatically discarded, while anybody caught tagging the British Telecom or Cable and Wireless issues ran the risk of prosecution.

The share price was well below the level discussed when the flotation was announced last May. Since then Wellcome's prospects have

been damaged by the fall in the dollar, as the bulk of its profits come from the US. The company has also suffered the resignations of two senior managers, losing in the last month Mr William Sullivan, the head of its US subsidiary, Burroughs Wellcome, and Dr Pedro Cuatrecasas.

The group has expanded rapidly in the last five years, with turnover rising from £500m to reach £1bn in the year to August 1985, while pre-tax profit has risen from £50.2m in 1981 to £121.7m last year. One of its most successful drugs in recent years has been Zovirax.

The shares are being floated on a historic price-earnings multiple of 18. There is a forecast dividend of 2.97p, to yield 2.47 per cent on the offer price. The application list opens on 7 February and dealings begin on 14 February.

Under the terms of the offer, no investor will be allocated more than 2.5 per cent of the company's equity, and up to 10 per cent of the issue will go to employees.

### Unilever recruits top executive from rival

BY TONY JACKSON IN LONDON

UNILEVER, the Anglo-Dutch consumer products group, has brought in a senior executive from a rival company, Johnson & Johnson, to head its US toiletries division. The move follows a sharp decline in Unilever's market share in recent years.

The new head of the toiletries division, Mr Wayne Nelson, was previously Johnson & Johnson's corporate vice-president in charge of personal care products, and a member of the group's four-man executive committee. He replaces Mr Art Onger, who has left Unilever.

It is unusual for Unilever to appoint outsiders to such senior positions. However, the personal care business is alone among the three divisions of Lever Brothers, the group's main US subsidiary, to have performed badly recently.

The particular weakness has been in the important toothpaste market, where Colgate's introduc-

### Sharp fall at Phillips Petroleum

By Our Financial Staff

PHILLIPS Petroleum, the big integrated oil concern which last year fought off takeover attempts by Mr T. Boone Pickens and Mr Carl Icahn, yesterday reported a sharp fall in earnings to \$148m or \$1.44 a share in 1985, against \$619m or \$1.75 a year earlier.

Fourth-quarter profits dropped from \$169m or 37 cents a share to \$95m or 30 cents on reduced shares outstanding, but all the figures are heavily distorted by special factors.

Net earnings from continuing operations dropped from \$837m to \$121.3m in 1984, to \$58m or \$2.07. The 1985 figure includes pre-tax charges of \$21m from early retirement programmes and \$25m from the write-down of assets, plus a \$496m gain from the sale of assets.

However, it excludes a \$7m loss from discontinued operations and a loss of \$171m on the disposal of mineral operations. Revenues edged up from \$15.7bn to \$16.5bn in 1985, but slipped from \$42m to \$3.91bn in the fourth quarter.

### Matsushita to build French audio factory

By Carla Rapoport in Tokyo

MATSUSHITA, Japan's largest consumer electronics manufacturer, said yesterday it planned to build an audio equipment plant in France next year. The exact location and size of the investment has not been decided.

The company, makers of the Panasonic, Technics and National brand electronic goods, said the new plant would initially produce 3,000 audio tuners a month, perhaps expanding its line to compact disc players in the future.

The decision on the plant location is awaiting approval from the French Government, according to Matsushita.

Matsushita produces 14 per cent of its output outside Japan, but it hopes to boost that figure to 25 per cent by 1990. Matsushita also plans to expand its worldwide audio equipment sales from \$1.25bn last year to \$1.5bn during the next three years. It said overseas production of audio equipment would be increased from 25 per cent to 30 per cent of total output in the period.

New Issue

These notes having been sold, this announcement appears as a matter of record only.

January 1986



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# Where will the smart money go in 1986?

The new edition of Merrill Lynch's *Market Trends* explains why 1985's bull market could carry U.S. share prices higher in early 1986. Merrill Lynch analysts also believe that a correction could develop by spring.

Despite the potential risks in the months ahead, Merrill Lynch recommends that investors continue to implement long-term investment programs and emphasizes that quality is the place to be.

That's why the new *Market Trends* also contains a list of quality U.S. shares that we would expect to be less vulnerable in market setbacks and attractive in market advances.

For your free copy, telephone London 01-382-8850 or the Merrill Lynch office nearest you. Or simply mail in the coupon.

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Please send me your free report on *Market Trends*.

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Home Phone \_\_\_\_\_  
Business Phone \_\_\_\_\_

Merrill Lynch customers, please indicate name and office address of your Financial Consultant.



## INTL. COMPANIES & FINANCE

### Chevron income edges forward

By Our New York Staff

CHEVRON, the fourth biggest US oil company, has reported a 1 per cent rise in its 1985 net income to \$1.55bn, or \$4.52 a share, and said that while it had expected oil prices to decline in 1986 it viewed with concern the recent sharp drop.

Mr George Keller, Chevron's chairman, said: "Operationally, 1985 was a difficult year with sluggish demand for petroleum products and declining crude oil prices. While refining and marketing margins improved relative to last year, largely due to higher gasoline prices, exploration and production earnings were reduced by significant demand and price declines for natural gas and by lower prices for crude oil."

The group's 1985 earnings were boosted by \$300m of gains on asset sales, primarily interests in the Bluebell-Albion oil fields in eastern Utah and the South Belridge-Hill 10 property in southern California. These were partly offset by \$288m of write-offs in 1985 to "recognise the impairment of certain assets." In the fourth quarter the group wrote off \$109m of surplus tankers and oilfield equipment.

Mr Keller says that in one important area Chevron put up a very strong performance in 1985. It reduced its total debt by \$6.1bn, taking its debt reduction programme well ahead of schedule. At the end of 1985 Chevron's ratio of debt to equity was 38 per cent against 51 per cent at the end of 1984. The group plans to reduce the ratio to 25 per cent by 1989.

Proceeds from asset sales accounted for roughly \$3.9bn of the debt reduction.

### Allis-Chalmers returns to black

BY OUR FINANCIAL STAFF

ALLIS-CHALMERS, the financially troubled US process equipment group, has registered its first quarterly profit - \$511,000 - since 1981. This compares with a 1984 fourth-quarter loss of \$217.6m. The latest figure is equal to a per share loss of 9 cents after payment of preferred dividends and compares with \$13.44 in 1984.

The group, which sold its farm machinery unit last May for \$132m and terminated a \$170m pension plan in a big financial restructuring, is still deep in the red, however, registering a net deficit of \$168.4m or \$12.27 a share, for the whole of 1985, against a loss of \$260.9m, or \$14.28 a share, for 1984. The results for the whole of 1985

include a loss of \$53.5m or \$3.14 a share from discontinued operations, offset in part by an extraordinary gain of \$11m, equal to 76 cents a share.

Sales for the whole of 1985 improved slightly, from \$872.5m to \$886.1m.

N. American quarterlies, Page 37

This announcement appears as a matter of record only.

**Banco Internacional**  
SOCIEDAD NACIONAL DE CREDITO

**U.S. \$60,000,000**

**Euro-Note Issuance and Standby Advance Facility**

Guaranteed by  
**First Interstate Bank of California, London Branch**

Arranged by  
**First Interstate Capital Markets Limited**

Standby Banks

|  |  |
|--|--|
| <b>First Interstate Bank of California</b> | <b>Société Générale</b>  |
| <b>Barclays Bank PLC</b>                   | <b>Canadian Imperial Bank of Commerce (International) S.A.</b> |
| <b>Deposit Guaranty National Bank</b>      | <b>Midland Bank plc</b>  |
| <b>The Valley National Bank of Arizona</b> | <b>MBank Houston N.A.</b>                                      |
| <b>Central National Bank of Cleveland</b>  | <b>Commerce Union Bank</b>                                     |
| <b>First Tennessee Bank</b>                |  |

Facility Agent  
Issuing and Principal Paying Agent  
and Dealer

**First Interstate Capital Markets Limited**

December 1985

### Allied-Signal sees heavy write-downs

ALLIED-SIGNAL, the US industrial conglomerate, expects to take 1985 fourth-quarter write-downs of between \$600m and \$700m resulting in a loss for the period and the year. Mr Edward Hennessy, chairman and chief executive, has warned AP-DJ reports.

The loss was larger than forecast and results from special charges related to the company's early retirement programme, the spin-off of the Henley group and the company's restructuring plan.

Allied-Signal was created by the merger in September of the Allied Corporation, based in Morristown, New Jersey, and the former Signal Companies of La Jolla, California. Around 30 units are being spun off to form the Henley group.

**REGULAR QUARTERLY DIVIDEND**

**57.5c**  
per common share

Payer: March 15, 1986  
Record: February 21, 1986  
Declared: January 29, 1986  
Continuous dividend payments since 1939.

Cyril J. Smith  
Vice President & Secretary  
P.O. Box 1642  
Houston, Texas 77251-1642

**PANHANDLE EASTERN CORPORATION**  
diversified in energy - natural gas transmission, oil and gas exploration and production, contract drilling, coal mining

**The Republic of Italy**  
**U.S. \$500,000,000**  
**Floating Rate Notes due 2005**

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 30 January, 1986, to 28 February, 1986, the Notes will carry an interest rate of 8 1/4% per annum. The interest payable on the relevant interest payment date, 28 February, 1986 will be US\$65.45 per US\$100 nominal amount in Bearer (Coupon No. 6) or Registered form and US\$1,636.28 per US\$250,000 denomination in Bearer form (Coupon No. 6).

30 January, 1986.  
The Chase Manhattan Bank, N.A.  
London, Agent Bank.

**Wells Fargo & Company**  
**U.S. \$150,000,000**

**Floating Rate Subordinated Notes due 1992**

In accordance with the provisions of the Notes, notice is hereby given that for the interest period 30th January, 1986 to 28th February, 1986 the Notes will carry an interest rate of 8.1625% per annum. Interest payable on the relevant interest payment date 28th February, 1986 will amount to US\$65.75 per US\$100,000 Note.

Agent Bank:  
Morgan Guaranty Trust Company of New York  
London

NEW ISSUE

This announcement appears as a matter of record only.

January, 1986



## European Investment Bank

Issue of up to £75,000,000

10 1/2 per cent. Bonds due 1996

of which £50,000,000 is being issued as the Initial Tranche

Issue price of the Initial Tranche 98 1/2 per cent.

Baring Brothers & Co., Limited

- |  |  |
|--|--|
| Banca Commerciale Italiana                               | Banque Bruxelles Lambert S.A.                |
| Barclays Merchant Bank Limited                           | Citicorp Investment Bank Limited             |
| Commerzbank Aktiengesellschaft                           | County Bank Limited                          |
| Crédit Commercial de France                              | EBC Amro Bank Limited                        |
| Girozentrale und Bank der österreichischen Sparkassen AG | Hambros Bank Limited                         |
| Kleinwort, Benson Limited                                | Lloyds Merchant Bank Limited                 |
| Merrill Lynch Capital Markets                            | Samuel Montagu & Co. Limited                 |
| Morgan Guaranty Ltd                                      | Morgan Grenfell & Co. Limited                |
| The Nikko Securities Co., (Europe) Ltd.                  | Orion Royal Bank Limited                     |
| J. Henry Schroder Wagg & Co. Limited                     | Swiss Bank Corporation International Limited |
| Union Bank of Switzerland (Securities) Limited           | S. G. Warburg & Co. Ltd.                     |

NEW ISSUE

This announcement appears as a matter of record only.

January, 1986



## crédit foncier de france

£15,000,000,000

6 1/2 per cent. Guaranteed Bonds Due 1996

unconditionally guaranteed as to payment of principal and interest by

**The Republic of France**

Issue Price 101 1/2 per cent.

- |   |   |
|---|---|
| <b>Banque Nationale de Paris</b>                                | <b>Daiwa Europe Limited</b>                           |
|   | <b>Swiss Bank Corporation International Limited</b>   |
|   | <b>Tokai International Limited</b>                    |
| <b>BankAmerica Capital Markets Group</b>                        | <b>Bank of Tokyo International Limited</b>            |
| <b>Bankers Trust International Limited</b>                      | <b>Banque Bruxelles Lambert S.A.</b>                  |
| <b>Banque Indosuez</b>  | <b>Banque Paribas Capital Markets Limited</b>         |
| <b>Caisse des Dépôts et Consignations</b>                       | <b>Crédit Commercial de France</b>                    |
| <b>Crédit Lyonnais</b>  | <b>Credit Suisse First Boston Limited</b>             |
| <b>Dai-ichi Kangyo International Limited</b>                    | <b>First Chicago Limited</b>                          |
| <b>Fuji International Finance Limited</b>                       | <b>Genossenschaftliche Zentralbank AG</b>             |
| <b>IBJ International Limited</b>                                | <b>LTCB International Limited</b>                     |
| <b>Merrill Lynch Capital Markets</b>                            | <b>Mitsubishi Finance International Limited</b>       |
| <b>Mitsubishi Trust &amp; Banking Corporation (Europe) S.A.</b> | <b>Mitsui Trust Bank (Europe) S.A.</b>                |
| <b>Morgan Stanley International</b>                             | <b>The Nikko Securities Co., (Europe) Ltd.</b>        |
| <b>Nomura International Limited</b>                             | <b>Salomon Brothers International Limited</b>         |
| <b>Société Générale</b>   | <b>Sumitomo Finance International</b>                 |
| <b>Sumitomo Trust International Limited</b>                     | <b>Union Bank of Switzerland (Securities) Limited</b> |
| <b>Yasuda International (Europe) Limited</b>                    | <b>Yasuda Trust Europe Limited</b>                    |

مكاتبنا في لندن



**INTERNATIONAL COMPANIES and FINANCE**

**Jordan lifts curbs on Arab investment**

By Rami G. Khouli in Amman  
**JORDAN HAS** lifted virtually all previous curbs on domestic investments by other Arab nationals, in an attempt to attract private capital inflows in order to offset a decline in official aid receipts.

The Cabinet has decided to grant all other Arab nationals the same rights, privileges and protections as Jordanians, when investing in industry, agriculture, tourism, services, transport, education, health or property. Arab nationals may also freely trade in Jordanian company shares, central bank bonds, and property.

The only restrictions to remain in force are a 49 per cent maximum shareholding for non-Jordanian Arabs in companies in retail trade, banking and finance, and insurance. The new regulations also allow Arab nationals free movement of capital and profits in and out of the country.

Previously, non-Jordanian Arabs had to secure special Government approval for direct investments in the country, a cumbersome and time-consuming process which discouraged many potential investors. The new regulations are expected to attract private Arab capital into joint venture projects.

It is difficult, however, to gauge the amount of capital that might flow into Jordan, given that most of the Arab world is in a three-year-old recession brought on by the decline of the international oil market, domestic overcapacity in many economic sectors, and the Gulf war.

Officials say they expect "a positive but not uncontrollable rush of Arab investments."

Arab investors have for years been asking the Jordanian Government to make this move, but the Government had always declined. It feared that a rush of private Arab capital into Jordan during the boom years of the late 1970s would have caused a market overvaluation.

**Brazilian banks boost earnings**

BY ANN CHARTERS IN SAO PAULO

**BRAZIL'S** two largest private banking conglomerates, Bradesco and Itau, and the semi-private Banco do Brasil reported sharply higher profits for 1985 due primarily to increased volume of deposits and financial operations.

The improved performance also reflects a string of bank failures last year, which shook confidence in the banking system and pushed depositors towards the larger institutions.

The Bradesco group, Brazil's largest financial conglomerate headed by Banco Brasileiro de Descontos, reported earnings after tax of 2,650bn cruzeiros, equivalent to \$254m at a year-end exchange rate, assets totalled \$3.5bn. Measured in cruzeiros after discounting inflation net profits were 84 per cent higher than in 1984 while assets grew 15 per cent. Before tax, earnings rose 25 per cent over the previous year to \$383m.

Itau, the second largest financial conglomerate, reported 1985 consolidated earnings of \$133m, up 33 per cent in real terms over 1984. Assets grew to \$5.94bn, a real increase of 17 per cent, after discounting last year's inflation of 234 per cent. Operating results before tax increased 11 per cent in real terms to \$263m.

Itau attributed last year's results to increased loan volume due to the pick up in the economy, increased deposits due to real salary increases for a large segment of the population, and a higher than anticipated rate of inflation which translated into more activity in financial markets. Banco Itau ended the year with nearly 1,000 branches with plans to open another 229 during 1986.

Banco do Brasil, the largest quasi-public sector bank, reported earnings after tax of \$314m, a nominal increase of 367.5 per cent over 1984. Assets totalled \$55.9bn, an increase without discounting inflation.

North Kalgaril is declaring a maiden dividend of 2 cents. Operating profits for the half-year to end-December have risen to A\$4.36m (£2.2m or US\$3.1m) from A\$1.2m a year ago. The total for the year to last June was A\$5.63m.

Gold output during the period at the wholly-owned Finlayson mine in Western Australia amounted to 40,210 ounces while the company's 43 per cent share of that at the Mt Percy project at Kalgoorlie was 4,045 oz. The average gold price realised was A\$484 per oz.

In mid-December North Kalgaril completed a A\$20m gold barter deal with Mocatia International Corporation based on 41,460 oz of gold.

Of the other mines, Free State Gold's net profit has fallen to R38.5m from R48m, partly because of reduced production, while a particularly sharp increase in tax liability leaves Western Holdings with a net profit of R78.5m against R51.7m.

Against a background of continued earnings growth the Australian gold-producing

Foreign banks win Taiwan concessions

BY ROBERT KING IN TAIPEI

**FOREIGN BANKS** operating in Taiwan appear to have won two rounds out of three in their fight to secure access to lending facilities previously reserved for domestic institutions.

But their attempt to secure a role in subsidised lending on imports of so-called "strategic" basic commodities has stalled.

The Government has agreed in principle to allow foreign banks each to open a second branch in Kaohsiung, the principal city in the island's southern region, and the centre of a major manufacturing area there.

The bankers had long argued for a second branch, saying they were losing opportunities for new business with companies located in the south.

The measure approving the new branch openings, which for financial reasons will probably involve only the larger of Taiwan's 31 foreign banks, now goes to the Prime Minister. Finance Ministry officials say approval should follow in the next two months.

A second measure long sought by bankers, permission to undertake foreign exchange business with companies located in Taiwan's export processing zones, also seems headed for approval. Such approval would fulfil a pledge given by representatives of Taiwan's

unofficial Co-ordinating Council for North American Affairs to their counterparts at the American Institute in Taiwan during trade negotiations late last year.

Officials say, however, that there has been no further discussion of a proposal to give foreign banks access to strategic import lending, and that the matter appears dead for the time being.

The Government designed the current programme, under which local banks fund the purchase of basic materials such as coal and iron ore, using subsidised credits from the central bank to stabilise prices.

Operating profits for the half-year to end-December have risen to A\$4.36m (£2.2m or US\$3.1m) from A\$1.2m a year ago. The total for the year to last June was A\$5.63m.

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**Pennzoil unit pulls out of Thai venture**

By Boonsong K'Thara in Bangkok

**DUVAL**, the minerals offshoot of Pennzoil of the US, has pulled out of one of Thailand's big potash exploration and production projects.

It has informed the Thai authorities that it has surrendered its 35 per cent stake in the US\$30m US-Australian Thai joint venture to explore for and produce potash over a 3.5 sq km concession in the north-east of the country.

Duval said it "had reluctantly to withdraw," and that the decision was made on financial grounds.

The group has agreed to transfer its 35 per cent share in the concession to its Australian partner, CRA Exploration, which already has 35 per cent ownership and thus will become the majority shareholder in the project.

The other two partners in the joint venture, Thai Potash Company, are Siam Cement Company, one of Thailand's largest diversified conglomerates which has a 20 per cent interest, and the Thai Government, which received a 10 per cent free holding when the concession was granted to the consortium in September 1984.

Duval is seeking approval from the Thai Government for the share transfer.

Thai Potash Company last year began a US\$3m five-year exploration programme for potash a raw material for production of chemical fertiliser. It is obliged to invest a minimum of \$120m if production reaches 500,000 tonnes a year. This rises in steps to \$350m if annual production reaches 2m tonnes.

A Texas state court judge has denied a Texaco motion to have Judge Solomon Cassed taken of Pennzoil's \$1.1bn case against the US oil major before he decides any further issues. Texaco sought to have the judge removed on procedural grounds. Its representatives have suggested that he issued rulings and jury instructions which were prejudicial to the company. A jury found last November that Texaco had improperly interfered with a merger pact between Pennzoil and Getty Oil.

**Carlton Paper achieves rise**

By Jim Jones in Johannesburg

**CARLTON PAPER**, the South African paper tissue converter which is jointly controlled by Kimberley-Clark and the Gencor group, partially overcame the problem of increasing costs in 1985 by combining a sustained marketing drive with improved productivity and the use of alternative raw materials.

Turnover rose by one-fifth last year to R177.9m (\$77.5m) and operating income increased by 17.4 per cent to R18.84m. An increased interest bill, which resulted from the higher borrowings needed to finance new capital equipment, led to an increase of only 8.5 per cent in pre-tax profit to R14.56m.

Earnings per share increased to 53.9 cents from 49.5 cents and the total dividend was raised to 30 cents from 28 cents.

**Setback for Saudi bank**

By Finn Barre in Riyadh

**NATIONAL COMMERCIAL BANK**, Saudi Arabia's largest bank, suffered an 80 per cent drop in net profits to 99.6m riyals (\$109m) for the year to September 14.

Although operating income rose 5 per cent to 4.9bn riyals, the bank increased its unspecified provisions from 425m riyals to 691m riyals. Total capital and reserves of the bank — which is owned by the Bin Mahfouz and Kalki families, and ranks among the world's largest private banks — remained at some 3.2bn riyals.

Deposits fell 3 per cent to 49.9bn riyals.

**Profits decline at OFS mines**

BY KENNETH MARSTON, MINING EDITOR

**REDUCED** net profits for the December quarter were announced yesterday by three of the four Orange Free State gold mines in South Africa's Anglo American Corporation group pending their proposed merger.

The setback was as a result of a fall in tax-offsetting capital expenditure.

Only President Steyn comes out with an increased net profit for the quarter. It amounts to R40m (£12.4m or \$17.4m compared with R34.2m in the previous three months, and reflects a higher average gold price received of R27.415 per kg against R22.338 in the September quarter.

Profits of the other mines have increased at pre-tax level

**Foreign banks win Taiwan concessions**

BY ROBERT KING IN TAIPEI

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**JAPANESE COMPANY RESULTS**

| NEC COMPUTERS, SEMICONDUCTORS | Half-year to |          | 27 weeks to | Year to |         |
|-------------------------------|--------------|----------|-------------|---------|---------|
|                               | Sept 85      | Sept '84 |             | Nov '85 | Nov '84 |
| Revenue (bn)                  | 1,137        | 1,062    | 5           | 25      |         |
| Pre-tax profits (bn)          | 69.72        | 69.54    | 1.41        | 2.04    |         |
| Net profits (bn)              | 22.86        | 29.83    | 0.54        | 0.71    |         |
| Net per share                 | 16.89        | 21.77    | 0.95        | 15.00   |         |
| Dividend                      |              |          | 2.86        | 5       |         |

| THO-KENWOOD AUDIO EQUIPMENT | Half-year to |          | 27 weeks to | Year to |         |
|-----------------------------|--------------|----------|-------------|---------|---------|
|                             | Sept 85      | Sept '84 |             | Nov '85 | Nov '84 |
| Revenue (bn)                | 1,137        | 1,062    | 5           | 25      |         |
| Pre-tax profits (bn)        | 69.72        | 69.54    | 1.41        | 2.04    |         |
| Net profits (bn)            | 22.86        | 29.83    | 0.54        | 0.71    |         |
| Net per share               | 16.89        | 21.77    | 0.95        | 15.00   |         |
| Dividend                    |              |          | 2.86        | 5       |         |

CONSOLIDATED PARENT COMPANY

**BANCO DE CHILE**  
 US\$35,000,000 Floating Rate Notes due 1986  
 In accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 8 1/2 per annum. The Coupon Amount will be U.S.\$41.79 in respect of U.S\$1,000 denomination and U.S.\$417.93 in respect of U.S.\$10,000 denomination and will be payable on 31st July 1986 against surrender of Coupon No. 14.  
 30th January 1986  
 Manufacturers Hanover Limited Reference Agent

**National Australia Bank Limited**  
 US\$100,000,000 Floating Rate Notes due 1997  
 Notice is hereby given that the Rate of Interest relating to the above issue has been fixed at 8 1/2 per cent for the period 30th January, 1986 to 30th July, 1986.  
 Interest payable on 30th July, 1986 per US\$10,000 Note will be US\$421.08.  
 Agent Bank: Morgan Guaranty Trust Company of New York London

**The Finnish Paper Mills' Association - Finnmap**  
 U.S. \$100,000,000 Floating Rate Notes Due 1995  
 In accordance with the terms and conditions of the Notes, the rate of interest for the interest period January 30, 1986 to July 30, 1986 has been fixed at 8 1/4 per annum. Interest payable on July 30, 1986 will be US\$114.79 per Note of US\$10,000.  
 Agent Morgan Guaranty Trust Company of New York London Branch

**Korea Exchange Bank**  
 (Incorporated in the Republic of Korea under the Korea Exchange Bank Act of 1960, as amended)  
 U.S. \$150,000,000 Floating Rate Notes Due 1995  
 In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from January 30, 1986 to July 30, 1986 the Notes will carry an interest rate of 8 1/4 per annum. The interest payable on the relevant interest payment date, July 30, 1986 against coupon No. 2 will be U.S.\$10,526.91 and U.S.\$421.08 respectively for Notes in denominations of U.S.\$250,000 and U.S.\$10,000.  
 January 30, 1986  
 By The Chase-Manhattan Bank, N.A., London, Agent Bank

**Emhart Corporation**  
 has acquired  
**The True Temper Operations**  
 from  
**Allegheny International, Inc.**  
 The undersigned initiated this transaction and acted as financial advisor to Emhart Corporation.  
**Morgan Grenfell Incorporated**  
 New York  
 Morgan Grenfell Group Offices in:  
 Adelaide Athens Bogota Cairo Caracas Edinburgh Frankfurt am Main Geneva Grand Cayman Guernsey Hong Kong Jersey London Madrid Melbourne Milan Moscow Nairobi New York Paris Perth Quito Santiago Singapore Stockholm Sydney Tokyo  
 December 20, 1985

*This announcement appears as a matter of record only.*  
**Trizec Properties, Inc.**  
 (a wholly-owned U.S. subsidiary of Trizec Corporation Ltd.)  
 U.S. \$100,000,000 Euro-Commercial Paper Programme  
 Guaranteed by  
**Trizec Corporation Ltd.**  
 Sole Dealer  
**Merrill Lynch Capital Markets**  
 January 1986

All of these securities having been sold, this announcement appears as a matter of record only.  
 New Issue / February, 1986  
**\$A175,000,000**  
**Security Pacific Corporation**  
 Floating Rate Australian Dollar Notes Due 1991  
 Principal of and interest on the Notes will be payable in U.S. dollars or, at the option of the Holder in Australian dollars. Interest on the Notes is payable quarterly on the first Business Day of February, May, August and November of each year, commencing in May 1986. The interest rate on the Notes will be adjusted on each Interest Payment Date to a rate per annum 100 basis points below the mean buying and selling rates of 90 day Australian dollar bank Bills.  
 The Notes are redeemable on the Interest Payment Date in February 1989 and on any subsequent Interest Payment Date, at the option of Security Pacific Corporation, at their principal amount plus accrued interest and, unless previously redeemed, will mature on the Interest Payment Date in February 1991.

**Salomon Brothers Inc**  
 One New York Plaza, New York, New York 10004  
 Atlanta, Boston, Chicago, Dallas, London (affiliate)  
 Los Angeles, San Francisco, Tokyo (affiliate), Zurich  
 Member of Major Securities and Commodities Exchanges.

**AIBD BOND INDICES**  
 WEEKLY EUROBOND GUIDE JANUARY 24, 1986

|                    | Yield  | 12 Months High | 12 Months Low |
|--------------------|--------|----------------|---------------|
| US Dollar          | 10.155 | 0.049          | 12.260        |
| Canadian Dollar    | 11.572 | 0.260          | 13.190        |
| Euroguilder        | 6.178  | 1.345          | 7.790         |
| Euro Currency Unit | 9.443  | -0.850         | 10.330        |
| Sterling           | 11.933 | 1.437          | 11.932        |
| Deutschmark        | 6.813  | 0.015          | 7.830         |

Bank J. Vontobel & Co. Ltd., Zurich - Telex: 812744 JYZ CH

Weekly net asset value  
**Tokyo Pacific Holdings (Seaboard) N.V.**  
 on 27th January, 1986 U.S. \$114.85  
 Listed on the Amsterdam Stock Exchange  
 Information: Pierson, Hekking & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

INTERNATIONAL COMPANIES and FINANCE

Eurobond investors on the sidelines

BY MAGGIE URRY

EUROBOND INVESTORS are still waiting on the sidelines showing little interest in buying bonds. Through the Japanese discount rate cut helped sentiment, prices of Eurodollar bonds were only slightly firmer and trading was confined to professionals.

had been aggressively priced at a margin of around 20 basis points over US Treasury yields and has since traded at a spread of more than 50 basis points. Although the spread on this one was larger and the maturity more in demand, rival syndicates managers still regarded the pricing as tight. However, the syndicate will be kept fairly small, and therefore easier to control, and the lead manager is committed to holding the issue at the same spread.

In the Euro-Australian bond market, Bayerische Vereinsbank launched a \$450m four-year issue for its Overseas Finance subsidiary. The coupon was 14 per cent and issue price 101. The name is popular in West Germany, where much of the demand for Australian dollar paper is based, and traded comfortably within the 1 1/2 per cent fees.

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E. German bank seeks to revise loan terms

By Peter Montague, Euromarkets Correspondent

DEUTSCHE Aussen Handelsbank (DAH), East Germany's foreign trade bank, has asked its banks for revised terms on three large Eurocredits, totalling \$1.5bn, arranged since December 1984.

Liffe takes expansionary tack after surge in trade

BY ALEXANDER NICOLL

TWO INNOVATIVE D-mark contracts will be launched today on the London International Financial Futures Exchange (Liffe), on the crest of a wave which has this month seen several trading records broken.

Mr Rolf Will, treasurer and general manager of Dredner Bank, will ring the ritual bell to start trading. A D-mark option and a new D-mark future. Both \$50,000 contracts will be quoted in D-mark terms and not US cents, in line with standard foreign exchange market practice.

always hampered the development of futures by comparison with the US, where the forward markets are not as extensive. Some bankers grumble about the change in the method of D-mark quotation, saying it involves unnecessary administrative costs—for example, margining systems must be adapted for D-Mark. But Mr Michael Jenkins, Liffe chief executive, argues that the switch will make the exchange more attractive to foreign ex-

London voice for US primary dealers

By Our Euromarkets Staff

PRIMARY DEALERS in the US government securities market have set up a committee in London to represent their UK based activities. The committee will be a branch of the Public Securities Association which performs the same function in the US.

Sumitomo Life plans to invest in French equities

BY DAVID MARSH IN PARIS

SUMITOMO Life, the third largest Japanese insurance group, plans to start investing in French equities after the election due in March. Mr Masakazu Shimoyama, head of Sumitomo Life's office in Paris, said yesterday his head office had an attitude of "wait and see" before the election but would probably start buying shares in April.

Domestic issue by Hungarian National Bank

By Patrick Shan in Vienna

THE HUNGARIAN National Bank, the country's central bank, is to make a 600m forint (\$115m) domestic bond issue to finance loans for the food industry.

Delta Lloyd paper breaks new ground

By Laura Rann in Amsterdam

MORGAN BANK Nederland yesterday launched a £100m commercial paper programme for Delta Lloyd, the Dutch insurance company, to become the first foreign-owned bank to offer a new instrument after the recent liberalisation of the Dutch capital markets.

FT International Bond Service

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Table with columns: US DOLLAR STRAIGHTS, Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds like Austria 10 1/2, Belgium 12 1/2, etc.

Other Straights

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds like Barbados 12 1/2, Brazil 12 1/2, etc.

Floating Rate

Spread Bid Offer Day Week

Table with columns: Spread, Bid, Offer, Day, Week. Lists floating rate bonds like Abbey National 5 2000, B's America 0/5 50, etc.

PPG Industries, Inc. U.S. \$100,000,000 Revolving Credit Facility and U.S. \$200,000,000 Euro-note Issue and Tender Programme. Credit Suisse First Boston Limited. Participants: Algemene Bank Nederland N.V., Commerzbank Aktiengesellschaft, etc.

Domestic Bond Markets

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists domestic bonds like AA 10 1/2, AAA 10 1/2, etc.

Tokyo higher on speculation

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists Japanese bonds like AA 10 1/2, AAA 10 1/2, etc.

Short-end gains in Frankfurt

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists German bonds like AA 10 1/2, AAA 10 1/2, etc.

Convertible Bonds

Conv. Crd. Bid Offer Day Week

Table with columns: Conv. Crd., Bid, Offer, Day, Week. Lists convertible bonds like Alcatel 3 2000, etc.

YEN STRAIGHTS

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists Japanese straight bonds like Caisse Nat. Tel. 5 22, etc.

Other Bonds

Change on week

Table with columns: Issued, Bid, Offer, Day, Week, Yield. Lists various international bonds like Argentina 12 1/2, etc.

Prices of public authority bonds ended mostly higher. Bourse trading was moderately active with prices being pushed up by the decline of the dollar and expectations of lower interest rates world-wide. The early buoyant mood following Japan's discount rate cut was dampened, however, as some investors expressed scepticism about the likelihood of a similar move by US monetary authorities.





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Baring Brothers is looking to recruit additional executives to market its capital markets services to clients based in Japan and London and to provide support for the Group's staff in Tokyo.

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Corporate Finance Executives, Economists and Unit Trust or Pension Fund Marketers. Whether you are actively looking or would simply like to be kept informed, contact: Fiona Stephens, Anthony Innes, Simon Kennedy, Martin Armstrong, Emma Wear.

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Challenging new appointment in expanding Legal Department  
**LEGAL ADVISER**

London £18,000-£20,000 plus benefits

**INTERNATIONAL MERCHANT BANK**

For this new appointment we are seeking a qualified solicitor to join our Legal Department. We invite applications from candidates in their late 20s to early 30s with several years' post-qualification experience preparing and analysing Eurodollar documentation, either within a bank or within a City firm active in this field. Communication skills and commitment are important qualities as duties will include co-ordinating the activities of English and foreign independent legal counsel, negotiating with borrowers and lenders, preparing in-house documentation and giving general legal advice to management.

Initial salary of £18,000-£20,000, together with banking benefits, including generous mortgage subsidy.

Applications in strict confidence to:

The Personnel Manager  
 Write Box A0042, Financial Times,  
 10 Cannon Street, London EC4P 4BY  
 or telephone 01-606 9931

**INTERNATIONAL EQUITY DEALER**  
 Experienced in U.S. Markets

Our client, a leading independent Investment Management group seeks an Equity Dealer (mid 20's) to help set up a new London-based in-house dealing operation.

The successful candidate will have two or three years' experience in the US securities industry preferably gained with a U.S. brokerage house. Experience of FRN and Eurobonds an advantage. This is an ideal opportunity for an ambitious dealer looking for early responsibility within a highly successful and fast growing investment group which currently has c. US\$20 billion invested in the international equity markets. Attractive salary package and bonus scheme.

Please call or send a C.V. in strict confidence to Sara Bonsey.

18, Eldon Street, Moorgate, London EC2M 7LA. Tel. 01-588 4224



**CHANCERY SECURITIES PLC**

Offer following vacancy:

**SECRETARY TO CREDIT COMMITTEE LOANS OFFICER**

Successful applicant will attend regular credit committee meetings, process new advances, monitor drawdowns/repayments/development progress/report to credit committee on positions, maintenance of securities register. Age preferred late 20s/early 30s, salary c. £12,000 plus certain benefits.

Apply in the first instance, with full cv to:

M. J. M. Snell, AIB Banking Services Manager  
 CHANCERY SECURITIES PLC  
 20 John Street, London WC1 2DL

**Capital Markets**

A number of our Clients, all well respected houses in the Capital Markets, are seeking Sales and Trading executives, with experience in either short term or long term instruments.

To discuss the positions we have available, please call Tom Kerrigan on 01-588 4303, or write with full cv to Tom Kerrigan Associates Ltd., 2nd Floor, 20 Wormwood Street, Bishopsgate, London EC2M 1RQ.



**Trade Finance Marketing Officers**

We are seeking to employ one or more marketing officers in our expanding Trade Finance Division. Successful candidates will hopefully have been trained in a US banking environment, together with having seasoned marketing experience in both the UK and international "Middle Markets". A knowledge of all aspects of documentary credits/guarantees work is an essential feature of these new positions.

A competitive remuneration package is offered with considerable potential for growth in line with the expanding market. Interested candidates in their late 20's to 30's, who have the ability to further develop their career are asked to telephone or write in confidence with full details to: Mrs R. Downes, Allied Arab Bank Limited, Granite House, 97-101 Cannon Street, London EC4. Telephone: 01-283 9111.



**International Appointments**

**Acquisitions Specialist**

Top Australian public company Melbourne Package c. A\$90,000

A leading Australian multinational, with a superb record of business growth, is seeking an outstanding executive to accelerate the new business development activity with particular emphasis on international opportunities. The key elements of the job include:

- developing and proposing policies and procedures for acquisitions including the appropriate criteria;
- administering and monitoring the acquisition programme;
- performing acquisition screening studies, valuing potential targets, and recommending action to Directors;
- developing, managing and negotiating strategies either directly or in association with external advisors;
- maintaining relationships with merchant bankers, business brokers and other appropriate intermediaries.

It is expected that the appointee will meet

- all or most of the following prerequisites:
- experience in high-level international acquisitions planning and implementation, either in a corporate setting or within a stockbroking, merchant banking or business broker environment;
- a record of negotiating strategy management together with successful acquisition results over the past five years;
- tertiary qualifications in both a technical and commercial discipline;
- aged between 35 and 50;
- considerable personal presence and an ability to professionally present recommendations at a very senior management level (Executive Manager and Board).

Interviews will be conducted by a PA consultant from Australia. Please send full career details, in confidence, quoting Ref: R2082/FT. Closing date 24 February 1986.



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**Corporate Finance**

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A major merchant bank in the Asia-Pacific basin seeks a Director or Assistant Director for its Corporate Finance department in Hong Kong. The department deals with all aspects of corporate finance but is particularly active in capital market issues, mergers and acquisitions.

Reporting to and deputising for the Head of Corporate Finance, your responsibilities will involve identifying opportunities, running major transactions and liaising with other offices within the group, and will include some world-wide travel.

Probably in your early to mid-thirties, you must have a proven track record of at least five years with a merchant bank, and be earning at

least £50,000 exclusive of benefits. A highly competitive remuneration package will include expatriate benefits, a generous housing loan, and a results-oriented incentive scheme.

If you are interested in working in a highly entrepreneurial and competitive environment for a professionally-minded organisation — and meet the criteria described above, please send full cv, in strict confidence, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: 2084/FT.



**PA Advertising**

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

**EMPLOYMENT CONDITIONS ABROAD LIMITED**  
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**MABCO Senior Internal Auditor**

Saudi Arabia c. £20,000

MABCO — a major Middle Eastern company with extensive contracting and manufacturing operations — is the recognised leader for large-scale construction projects in Saudi Arabia. An Internal Auditor is now required to join the headquarter's financial management team based in Riyadh.

Key objectives will include the development and implementation of a comprehensive audit control system which will ensure consistent administration and strict adherence by all divisions to company authorisation procedures and financial policy. Candidates, preferably in

their late 20s — early 30s, will ideally be ACA/ACCA-qualified with at least 2 years' internal auditing experience or, possibly, partly qualified with more substantial experience. Additional experience gained in the profession would be an advantage. Tax-free salary for this challenging post is backed by extensive benefits including free accommodation, transport and medical care, paid holidays and renewable contract.

Please write with full details to Mr G E Young, Manager, MABCO UK Limited, 73 Brook Street, London W1Y 1YE, quoting ref. 501-57.



**International Audit Brussels**

Attractive benefits package including a car

Our client is a successful US industrial group (turnover US \$2.5 bn) with significant interests in the chemical sector in Europe. The regional audit function is based in Brussels and is responsible for the performance of financial reviews of subsidiaries and joint ventures in Europe.

As a result of an internal promotion within the group, our client now seeks a senior auditor to undertake the planning and performance of audits. In addition to financial audits, there will be exposure to systems and operational reviews as well as some investigations work.

This challenging role, which has considerable exposure to senior management, involves a significant travel context.

Candidates should be aged 26-35, having gained audit experience within a large public accounting firm or an industrial group. You should be fluent in English together with one other European language and should hold a university degree and/or a recognised accounting qualification.

Interested applicants should contact either Ivor Alex in London on 01-631 0431 at 39/41 Parker Street, London WC2B 5LL, quoting ref. P1038, or John Archer in Brussels on 010-322-648-1384 at avenue Louise 350, Box 3, 1050 Brussels. Please enclose a comprehensive curriculum vitae with your application.



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**TREASURY Vice-President**

Bahrain

An expanding O.B.U. requires an experienced banker to join their management team and assist in the planned future growth.

Ideal candidates will be aged 28-40 and possess a minimum of seven years' relevant experience. In addition to a knowledge of all aspects of funding, FX and money market operations, the successful candidate should also be fully conversant with the principals of portfolio management, especially trading in bonds/securities, etc.

Interested candidates should send a detailed curriculum vitae for the attention of:

Mr Geoffrey Pearson  
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47 Upper Grosvenor Street, London W1X 9PG

**IDATE ECONOMISTS**

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**INT'L MARKET/SALES/OPERS/PROJECTS EXEC.**

Belgian: employed by European Middle East Groups. Years of travel and residence in Africa, Middle and Far East. Seeking opportunity anywhere.

Reply: L. R., 2, Prins de Salmstraat, 1200 Quatre, Belgium. Phone: 32-2-654-0679

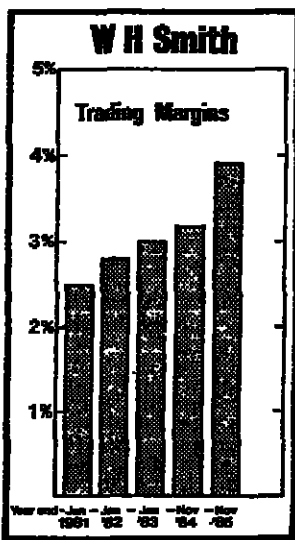
UK COMPANY NEWS

W. H. Smith boosted by D-I-Y side

EACH SECTION OF THE W. H. Smith & Son (Holdings) group, led by the D-I-Y side with a 92 per cent advance, has made increased contributions to a first half pre-tax profit of £21.3m, a rise of £4.5m over the comparable period of 1985.



Mr Simon Hornby, chairman of W. H. Smith



(£1.76m)—assuming an effective rate of 34.5 per cent over the year—the half-year's net profit works through at £13.62m (£10.04m) for earnings of 7.76p (5.31p) per share.

Christmas sales were marginally ahead of forecast and chairman Mr Simon Hornby expects "a further satisfactory increase" in the second six months.

Hornby observes that the introduction of new technology into Fleet Street and the launching of new newspapers will bring changes in the pattern of distribution. "Our business is ready to respond positively to these new opportunities," he says.

group sales £24.28m (£23.53m) the net turnover for the period came to £580.62m (£501.4m). Profit before tax was after depreciation £8.55m (£7m) and interest paid £2.06m (£297,000).

Capital spending in the current year was expected to rise to some £47m, after accounting for an estimated £12m from sale and lease back deals from Do It All centres. At the end of the financial year earnings would be around 42 or 43 pence.

RTZ to develop £44m gold project in Brazil

Rio Tinto-Zinc is to go ahead with the development of the US\$62m (£44m) Morro do Ouro gold project in Brazil. First production at the large, but low grade—believed to be less than 1 gram gold per tonne—open-pit gold venture is planned for the end of next year at an average annual rate of 3 tonnes (90,453 oz) gold.

cao at a total cost of approximately \$62m. A production life of 15 years is planned for the venture during which time exploration will be carried out to locate additional mineable ore reserves. A specific metallurgical process has been developed to allow the low grade deposit to be mined economically on a large scale.

Wagon Finance hit by £2m rise in interest

Wagon Finance Corporation, the subject of an agreed £26m offer from M&A, paid out sharply higher interest charges in 1985 which left its profits little changed on those of the previous year.

from £22.78m to £24.25m but following a £2.13m rise in interest charges to £2.99m profit at the pre-tax level came through at £3.33m, down from the previous year's £3.77m.

EMAP in £6m sale

EMAP, the provincial newspaper and magazine group, announced yesterday it had sold its entire holding of 1.62m "B" shares of Reuters Holdings, the international business information group, for about £6.1m net.

With this in mind, and despite the recent rise in interest rates, they are confident of satisfactory performance in the current year.

Wolverhampton & Dudley gives assurances

Wolverhampton & Dudley Breweries said yesterday that it intended to invest up to £1m on approved premises of the Davenports Brewery should its bid for the Birmingham Company succeed.

ICI subsidiary to take full control of Dulux Australia

ICI Australia, the 62 per cent-owned subsidiary of the UK chemical group, is to take full control of Dulux Australia by buying a 29.6 per cent stake held by Cookson Group.

The Champions advertisement featuring a group of men in suits and the MIM logo.

MIM LIMITED advertisement with contact information and investment management services.

Globe lifts net asset value by 12.34%

Globe Investment Trust is likely to make further moves into the wholesale fund management, after withdrawing from the retail end by completing the £25m sale of its Tyndale Group subsidiary next week.

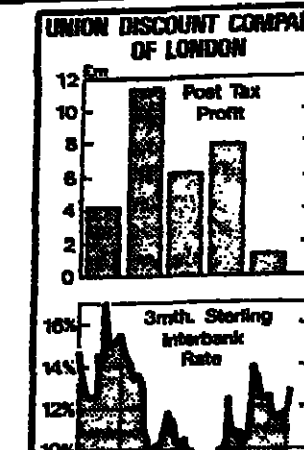
The move comes as the company announced a 12.34 per cent rise in net asset value for the nine months to December 31, 1985, while attributable profits were up 12.14 per cent to £14.3m.

Union Discount recovers to make £1m profit

A SHARP fall in profits has been recorded by the Union Discount Company of London in its centenary year. It is the UK's second largest discount house.



Mr Graeme Gilchrist, managing director of Union Discount



The disclosure of an unspecified loss at the interim stage had prepared the Stock Market for an overall deficit for the year 1985. As it is, Union is able to show a profit after tax of £1.13m, compared with £7.94m in the previous 12 months.

Mr Graeme Gilchrist, Union's managing director, says 1985 has been a particularly difficult trading year. After the sharp rise in sterling interest rates in January 1985, the money market consistently expected base rates to fall faster and further than they actually did.

account of the rights issue, from £54.6m to £66.4m. The final dividend is maintained at 26p, giving an unchanged total for the year of 37p net.

Wicks at premium on first day's trading

Shares in Wicks, a do-it-yourself and building materials retailer floated yesterday on the USM, closed at a premium of 140p above the 140p offer price before edging back to close at 141p.

D. Dixon merger off

David Dixon, Yorkshire-based clothing group, and A and J Gelfer, Glasgow-based textile manufacturer, have discontinued merger discussions which were announced earlier this month.

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Wolverhampton & Dudley Breweries said yesterday that it intended to invest up to £1m on approved premises of the Davenports Brewery should its bid for the Birmingham Company succeed.

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LADBROKE INDEX table with values 1,152,156 (+1) and contact info.

BASE LENDING RATES table listing various banks and their rates.

DIVIDENDS ANNOUNCED table with columns for Current payment, Date, Correc, Total, and Fully paid.

Granville & Co. Limited advertisement with contact info and Over-the-Counter Market data.

Public Works Loan Board rates table with columns for Years, Quota loans repaid, and Non-quota loans repaid.

MITSUI FINANCE ASIA LIMITED advertisement with details on Guaranteed Floating-Rate Notes 1997.

MITSUI FINANCE ASIA LIMITED advertisement with details on Guaranteed Floating-Rate Notes 1997.

MITSUI FINANCE ASIA LIMITED advertisement with details on Guaranteed Floating-Rate Notes 1997.



This document is important and requires your immediate attention. If you are in any doubt about this Tender Offer, please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

# TENDER OFFER

by

## LLOYDS MERCHANT BANK LIMITED

to acquire up to 12,630,000 Ordinary shares in

# WESTLAND plc

at 130p per Ordinary share

**This Tender Offer closes at 3.30 p.m. on 8th February, 1986**

Lloyds Merchant Bank Limited  
40-66 Queen Victoria Street, London EC4P 4EL

To the Shareholders of Westland plc

**TENDER OFFER FOR WESTLAND plc ORDINARY SHARES**

30th January, 1986.

Dear Sir or Madam,

During the past two weeks certain shareholders of Westland plc ("Westland") have sold large blocks of shares at prices considerably in excess of those available to other shareholders. We are writing to you and sending you the enclosed Form of Tender to give you the opportunity to obtain a cash price of 130p per Ordinary share. We would point out that, if sufficient Ordinary shares are not offered to us, then this Tender Offer will lapse and we shall not be able to purchase any of your Ordinary shares under the Tender Offer.

Lloyds Merchant Bank Limited ("Lloyds Merchant Bank"), as principal and agent, hereby offers to acquire by tender, on the terms and subject to the conditions set out below, up to a maximum of 12,630,000 fully paid Ordinary shares of Westland (representing 21.3 per cent of the existing share capital). Such shares would, together with the existing holdings by Lloyds Merchant Bank and The General Electric Company p.l.c. of 3,525,000 Westland Ordinary shares, represent 27.2 per cent. of the issued share capital of Westland.

**Terms and Conditions of the Tender Offer**

1. The tender consideration shall be 130p in cash for each Westland Ordinary share tendered and accepted.
2. Unless tenders are received representing in aggregate at least 20.2 per cent of the Westland Ordinary shares in issue at 3.30 p.m. on 8th February 1986 (the closing date of the Tender Offer) then the Tender Offer shall be void.
3. Subject to the provisions of paragraph 2 above, all tenders will be irrevocable.
4. The Tender Offer will close at 3.30 p.m. on 8th February, 1986.
5. Westland Ordinary shares will be acquired free from all liens, charges and encumbrances and with all rights now or hereafter attaching thereto including the right to receive all dividends and other distributions declared, made or paid after the date hereof.
6. If the number of Westland Ordinary shares tendered exceeds the stated maximum, the tenders will be scaled down pro rata.
7. All tenders must be made on the Form of Tender, duly completed in accordance with the instructions therein, which constitutes part of the terms of the Tender Offer. The right is reserved to treat tenders as valid even though not complete in all respects or not accompanied by the relevant certificate(s) or other document(s) of title.

**Procedure for Tendering**

Copies of this Tender Offer and Form of Tender upon the terms of which alone tenders will be accepted have been despatched by post to shareholders of Westland and may be obtained on request from:-

|   |   |  |
|---|---|--|
| Lloyds Merchant Bank Limited<br>40-66 Queen Victoria Street<br>London EC4P 4EL<br>01-248 2244 | Hoare Govett Ltd<br>Heron House<br>319-325 High Holborn<br>London WC1V 7PB<br>01-404 0344 | Lloyds Bank Plc<br>Registrars Department, Issues Section<br>P.O. Box 1000, 61 Moorgate<br>London EC2B 2AL<br>01-623 1288 |
|---|---|--|

Forms of Tender duly completed should be returned together with the relevant share certificate(s) and/or other document(s) of title to Lloyds Bank Registrars Department, Issues Section, at the address given above as soon as possible but in any event so as to arrive not later than 3.30 p.m. on 8th February, 1986.

**Settlement**

The result of the Tender Offer and, if applicable, the basis of scaling down tenders, will be announced by 9.30 a.m. on 10th February, 1986 the first business day following the closing date.

Cheques will be despatched not later than 10 business days following the closing date to Westland shareholders whose tenders, valid and complete in all respects, are received before the Tender Offer closes in respect of the number of Westland Ordinary shares tendered and, if applicable, after taking account of any scaling down.

**General**

This Tender Offer is made by Lloyds Merchant Bank Limited both for itself and on behalf of Aerospaiale, Societe Nationale Industrielle, Agusta S.p.A. and Messerschmitt Boelkow-Blohm GmbH (being three members of the "European Consortium" which also includes British Aerospace PLC and The General Electric Company p.l.c.) who will hold the shares acquired pursuant to the Tender Offer as may be determined between them.

All documents and remittances sent by or to Westland shareholders will be sent at their risk. If an insufficient number of Westland Ordinary shares is tendered in respect of the Tender Offer, as set out in condition 2 above, Forms of Tender, certificates and/or other documents of title will be returned by post within 10 business days following the closing date.

Yours faithfully,

for Lloyds Merchant Bank Limited

D. O. Home, Managing Director

**Appendix**

1. a) Lloyds Merchant Bank owns 2,975,000 Ordinary shares of 25p in Westland plc which were acquired on the following dates and at the following prices:-

| Date         | Number of Shares | Price |
|--------------|------------------|-------|
| 1985         |                  |       |
| 14th January | 825,000          | 118½p |
| 15th January | 400,000          | 128p  |
| 16th January | 600,000          | 110½p |
| 23rd January | 1,150,000        | 130½p |

- b) The General Electric Company p.l.c. owns 550,000 Ordinary shares in Westland.

2. The following table sets out the middle market quotations for Westland Ordinary shares based on The Stock Exchange Daily Official List, at the close of business on the first dealing day of each month from August 1985 to January 1986, and on 28th January, 1986, the latest practicable date prior to the publication of this document.

| 1985          | Price |
|---------------|-------|
| 1st August    | 78p   |
| 2nd September | 70p   |
| 1st October   | 67p   |
| 1st November  | 71p   |
| 2nd December  | 68p   |
| 1986          |       |
| 2nd January   | 85p   |
| 28th January  | 103p  |

**ALL YOU HAVE TO DO**

- 1 Enter the number of Westland Ordinary shares you wish to tender in the box below.
- 2 Complete and sign the form.
- 3 Send the form together with your share certificate(s) and/or other document(s) of title to Lloyds Bank Registrars Department, Issues Section, P.O. Box 1000, 61 Moorgate, London EC2B 2AL.
- 4 Do this immediately but in any event so as to arrive not later than 3.30 p.m. on 8th February 1986.

NOTE: If you have lost one or all of your share certificates you should follow the procedure in note E below.

To Lloyds Merchant Bank Limited ("Lloyds Merchant Bank") and the other Offerors

(1) I/We, the undersigned, have received the Tender Offer document dated 30th January, 1986 (the "Tender Offer document") from Lloyds Merchant Bank offering to acquire, for itself and on behalf of others (collectively "the Offerors"), by way of tender up to a maximum of 12,630,000 Westland Ordinary shares. I/We hereby irrevocably tender to Lloyds Merchant Bank on the terms and subject to the conditions set out in the Tender Offer document

ENTER NUMBER OF SHARES TENDERED

Westland Ordinary shares

held by me/us (or such smaller number as may result from scaling down in accordance with the provisions of the Tender Offer document) for settlement in cash.

If you leave this box blank you will be deemed to have tendered all your registered holding of Westland Ordinary shares (or such smaller number as may result from scaling down the whole of your registered holding in accordance with the provisions of the Tender Offer document).

(2) I/We enclose the share certificate(s) and/or documents of title in respect of the Westland Ordinary shares tendered hereby.

(3) Subject to the Tender Offer becoming unconditional in all respects, my/our execution of this Form shall constitute my/our irrevocable acceptance of the said offer contained in and on the terms and subject to the condition in the Tender Offer document in respect of the number of Westland Ordinary shares set out or deemed to be set out above (or such smaller number as may result from scaling down in accordance with the provisions of the Tender Offer document) and my/our irrevocable appointment (by way of security for my/our contractual obligations hereunder) of any Director of Lloyds Merchant Bank as my/our attorney to complete and execute on my/our behalf and in my/our name an instrument of transfer in favour of all or any of the Offerors of the Westland Ordinary shares in respect of which I/We have accepted or shall be deemed to have accepted the Tender Offer and on my/our behalf to execute any further documents and to do any other acts as may be necessary or expedient to give effect to such transfer.

(4) Subject to the Tender Offer becoming unconditional in all respects, my/our execution of this Form shall constitute an irrevocable appointment (by way of security for my/our contractual obligations hereunder) of any Director of Lloyds Merchant Bank as my/our attorney (i) to execute a form of proxy in respect of such number of Westland Ordinary shares which I/We have tendered hereby and which are accepted by the Offerors and (ii) to appoint any person nominated by Lloyds Merchant Bank to attend at and to vote for me/us and on my/our behalf in such manner as he thinks fit or to abstain from voting at any general meeting of Westland (and at any adjournment of any such meeting) pending the registration of the transfer in respect of such Westland Ordinary shares.

(5) In the event of the Tender Offer not becoming unconditional in all respects, I/We authorise and request you to return this Form and the relevant share certificate(s) and/or other document(s) of title (if any) by ordinary post at my/our risk to the person or agent whose name and address are set out at the foot of this page or, if none is set out, to the first-named holder at his/her registered address.

(6) The Tender Offer shall be governed by and construed in accordance with English Law.

Signed, sealed and delivered by the undersigned shareholder(s)

## FORM OF TENDER

for the sale of Ordinary shares in

# WESTLAND plc

(1) Sole or First Holder: Usual signature \_\_\_\_\_ (LS)

Surname \_\_\_\_\_ (LS)  
(State whether Mr, Mrs, Miss or Title)

Forename(s) \_\_\_\_\_  
(in full)

Address \_\_\_\_\_  
(in full)

(2) Second Holder (if any): Usual signature \_\_\_\_\_ (LS)

Surname \_\_\_\_\_ (LS)  
(State whether Mr, Mrs, Miss or Title)

Forename(s) \_\_\_\_\_  
(in full)

Address \_\_\_\_\_  
(in full)

(3) Third Holder (if any): \_\_\_\_\_ (LS)

(4) Fourth Holder (if any): \_\_\_\_\_ (LS)

If this space is left blank the consideration will be sent to the first named address above

Please insert below in BLOCK CAPITALS the name and address of the person or agent to whom you wish any cheque and/or document of title to be sent.

Name \_\_\_\_\_ Address \_\_\_\_\_

| For Office Use Only |                    |                    |                     |                       |               |
|---------------------|--------------------|--------------------|---------------------|-----------------------|---------------|
| 1. Acceptance No.   | 2. Shares Tendered | 3. Shares Accepted | 4. Balance Required | 5. Cash Consideration | 6. Cheque No. |
|                     |                    |                    |                     | £                     |               |

**NOTES REGARDING THE COMPLETION AND LODGING OF THIS FORM**

The following notes should be read carefully as in order to be valid the Form of Tender must be correctly completed in all respects and received by Lloyds Bank Registrars Department, Issues Section by 3.30 p.m. on 8th February, 1986 together with the relevant share certificate(s) and/or other document(s) of title and, where appropriate, death certificate, probate, letters of administration, marriage certificate and/or deed poll.

In order to be valid this Form must, except as mentioned below, be signed personally by the registered holder or, in the case of a joint holding, by ALL the registered holders. A body corporate must execute this Form under seal, the seal being affixed and witnessed in accordance with its Articles of Association or other regulations.

The following suggestions are made to avoid delay and inconvenience:-

- A If a holder is away from home (e.g. abroad or on holiday) - Send this Form by the quickest means (e.g. air mail) to the holder for execution. No other signatures will be accepted.
- B If you have sold your holding in Westland - You should immediately hand this Form to the purchaser or to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser.
- C If the sole holder has died - If probate or letters of administration have been registered with Westland, this Form must be signed by the personal representative(s) of the deceased.  
If probate or letters of administration have been granted but have not been registered with Westland, the personal representative(s) should sign this Form and forward it to Lloyds Bank Registrars Department, Issues Section at the address below with the certificate(s) and with a copy of the probate or letters of administration as soon as possible.
- D If one or more of the joint holders has died - This Form is valid if signed by all the surviving holders and lodged with Lloyds Bank Registrars Department, Issues Section, at the address given below, accompanied by the death certificate, probate or letters of administration of the deceased holder.

E If one or all of your share certificate(s) has/have been lost - Complete and lodge this Form with a letter of explanation and any certificates available with Lloyds Bank Registrars Department, Issues Section at the address given below. At the same time you should write to the Registrars of Westland at National Westminster Bank PLC, Registrars Department P.O. Box No. 62, 57 Broad Street, Bristol BS69 7NH for a letter of indemnity which should be completed in accordance with the instructions given. When completed the letter of indemnity must be lodged with Lloyds Bank Registrars Department, Issues Section at the address given below.

F If your name or other particulars are shown incorrectly on the certificate, e.g.:-  
(a) incorrect name  
name on certificate \_\_\_\_\_ James Smith  
correct name \_\_\_\_\_ James Smythe  
complete and lodge this Form with the correct name and accompanied by a letter from your bank, stockbroker or solicitor confirming that the person described on the certificate and the person who has signed this Form are one and the same;  
(b) incorrect address  
write the correct address on this Form;  
(c) change of name  
lodge your marriage certificate or the deed poll with this Form for noting.

Further copies of this form are available from:-

|   |   |  |
|---|---|--|
| Lloyds Merchant Bank Limited<br>40-66 Queen Victoria Street<br>London EC4P 4EL<br>01-248 2244 | Hoare Govett Ltd<br>Heron House<br>319-325 High Holborn<br>London WC1V 7PB<br>01-404 0344 | Lloyds Bank Plc, Registrars Department<br>Issues Section, P.O. Box 1000,<br>61 Moorgate,<br>London EC2B 2AL<br>01-623 1288 |
|---|---|--|

UK COMPANY NEWS

# Plessey comes under heavy fire from GEC

BY CHARLES BATCHELOR

GEC, which last week saw its £2bn takeover bid for Plessey, the rival electronics group, referred to the Monopolies Commission, yesterday launched a hard-hitting attack on Plessey's performance over the past 10 years.

In a 17-page document sent to Plessey's shareholders and titled "Setting the record straight," GEC refuted the arguments advanced in Plessey's defence circular. GEC announced earlier it was starting a libel action against Plessey over that circular.

Even though the GEC offer has lapsed following the Monopolies Commission's decision, GEC's offer document which was careful to avoid any criticism of Plessey's performance. The atmosphere changed however in the wake of Plessey's defence document.

GEC yesterday charged Plessey with having failed to compare the records of the two companies fairly. "The Plessey directors have presented an image of GEC so unreal as to call into question their own credibility—even on matters affecting Plessey itself."

GEC said it remained convinced that Plessey's best prospect lay with GEC.

GEC took a 10-year period, more representative, it said, for businesses with long trading and product development cycles, to show it had outperformed Plessey.

It said its own earnings per share had risen at a compound rate of 16.7 per cent a year compared with Plessey's 14.2 per cent. Dividends per share rose 22.3 per cent against 12.9 per cent and net asset value per

share by 16.5 against 8.9 per cent. GEC argued it made a profit margin of 11 per cent on sales of electronic systems against Plessey's 7 per cent while its margins were also higher in telecommunications.

It said Plessey's net cash balances were deteriorating at a time when its commitments were rising and important customers such as British Telecom and the Ministry of Defence were hardening their attitudes to prices and value for money.

GEC responded to Plessey's attack on GEC's recent acquisitions with a criticism of the performance of three companies—Alloys Unlimited, Garrard and Cromberg Carlson—bought by Plessey.

Plessey replied yesterday that it stood by its arguments. That GEC's circular was based on differences of interpretation and that Plessey considered the bid to be behind us.

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# Morgan Crucible lifts terms for Castle

Morgan Crucible has boosted its bid for First Castle Electronics by \$6m to \$48m, writes Terry Povey.

Bankers acting for the two companies have arranged for a meeting in Manchester today to discuss the final offer. In the meantime, First Castle has asked shareholders not to take any action.

On the stock market yesterday Morgan Crucible bought just over 10 per cent of First Castle's issued shares in a brief buying flurry that sent the price up over 180p at one point.

Through purchases and acceptances, Crucible now holds almost 13 per cent of the defence electronics company's equity.

According to Dr Bruce Farmer, Crucible's managing director, the market buying operation "was like a dream" and Crucible were willing to meet First Castle's management to "talk about anything—except price as this has now become final."

EBN, Samuel, advisor to First Castle, claims that the institutions who had sold on the market had done so because of the attraction of the cash.

"The selling was technical rather than a comment on the offer—which only 5 per cent higher than that previously rejected," said the bank.

The final offer is three Crucible shares for every four of First Castle and there is a cash alternative of 165p. The highest offer of 247p, up 2p, for the bidder places a 185.25p value on each First Castle share.

The electronics company closed at 174p, down 2p on the day.

# Terry Povey looks at the background to today's meeting

## Who's king of the Castle?

MORGAN CRUCIBLE and First Castle Electronics could be on the verge of an agreed end to the takeover battle between them. But their histories and the personalities running the two companies could hardly be more different.

While arguments over pricing have dominated the bid battle to date both are agreed on the importance of specialist electronics—especially if this can be concluded from markedly different backgrounds.

Whatever the outcome of the Manchester meeting today, First Castle shareholders are being offered the choice of a stake in a well-run medium-sized company that would clearly like to get more specialist electronics on board.

The alternative—if there is no agreement—is to stay with a fast-footed, entrepreneurial management that will switch the group's direction as it sees the profit wind blowing.

Until a major shakeup was begun in 1980, Morgan Crucible was seen as the epitome of a traditional smoke stack company—one of its claims to fame was its bit of the tallest chimney in London.

In the 1970s, the run down of the UK steel and engineering industries, the group's main customers, saw margins slashed while acquisition and start-up costs held back overseas profit contributions.

Manufactures and plant closures followed as Crucible shifted away from heavy industrial consumables at home. There was also a diversification into industrial electronics, especially those for the metal cutting market in the UK and the US.

Until 1983, Crucible struggled (pre-tax profits hit a low for the past decade of £3m in 1982) with the costs of making this shift.

Management changes, made by agreement rather than the result of a power struggle, followed. Dr Bruce Farmer, the present group managing director, was headhunted from Associated Engineering. Mr Graham Swetnam became financial director and Sir James Spooner became chairman of the board.

The emphasis is now on materials technology—carbon

| MORGAN CRUCIBLE |                      |                        | FIRST CASTLE |                      |                        |
|-----------------|----------------------|------------------------|--------------|----------------------|------------------------|
| Year            | Profits pre-tax (£m) | Earnings per share (p) | Year         | Profits pre-tax (£m) | Earnings per share (p) |
| 1985            | 18.0                 | 17.1                   | 1985         | 2.2                  | 11.5                   |
| 1984            | 15.5                 | 15.9                   | 1984         | 2.7                  | 10.56                  |
| 1983            | 9.5                  | 10.4                   | 1983         | 1.74                 | 8.55                   |

| MORGAN CRUCIBLE |             |               | FIRST CASTLE |             |               |
|-----------------|-------------|---------------|--------------|-------------|---------------|
| Year            | Share price | Dividends (p) | Year         | Share price | Dividends (p) |
| 1985            | 182p-247p   | 8.5           | 1985         | 174p-184p   | 2.48          |
| 1984            | 174p-207p   | 8.0           | 1984         | 174p-184p   | 1.94          |
| 1983            | 155p-171p   | 7.5           | 1983         | 174p-184p   | 1.79          |

(36 per cent of sales and half of profits in 1984), ceramic (16 per cent and 15 per cent), thermic (27 per cent and 16 per cent) and plastics (17 per cent and 19 per cent) plus a small electronics division (5 per cent and 2 per cent).

Overseas sales account for almost three-quarters of the group total with the Pacific rim designated as the key area for expansion.

The analysts see the group as well-run although most concede that it is hard to get grips with understanding its products—its a bit of a business company," said one broker.

According to Dr Bruce Farmer the group pursues a "small is beautiful" strategy, aiming to keep the size of subsidiaries down (the present average is 350 employees) and management decentralised—the Windsor head office employs only 30 people.

Two years later Mr Connor bought BRM Electronics, the work of which centred on the aircraft industry, civil and military. By 1980 the wind of activities had grown to overshadow the trading and renovating of second-hand pianos and the name was changed to its present form.

Subsequently, the electronics industry procurement company Fleetworld (which has close trading links to Olivetti) was added, as was a plastics moulding company and three years ago Centronics Holdings, a Surrey-based electronics and nuclear products manufacturer.

It is Centronics which has developed the group's most recent acquisition, a verbal agreement in 1980 from Crucible. Most of that gap has now been bridged by the share offer.

Castle of most interest are the avionics, nucleonic defence and electronic component distribution activities (which together account for about two-thirds of turnover); the domestic appliances, computer-related activities (including monitor screens) appear to be of less interest.

First Castle was founded, and is still chaired, by the mercurial Mr Leslie Connor (who once ran the King Connor chain of betting shops in Marseilles) in the mid-1970s out of the rump of a quoted plastic foam business.

In 1976 the company made pre-tax profits of £50,000, adopted the name First Castle Securities and moved into the music and musical instruments business.

Hunts Planes remains part of the group.

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FCE's management is run out of two centres—Mr Connor operates from his Lancashire mansion while near Croydon, the Centronics base, is the headquarters for Mr John Harris, the group's highly regarded managing director.

The nub of the argument between the two companies centres on price and what has become the relative issues of management philosophy. Crucible claims that the low to negligible tax rates achieved by the defence electronics company to date are "unmaintainable" and electronics company argues the bidder.

The target's low tax rates have been achieved by some well-timed industrial property acquisitions (mostly in enterprise zones) to which are attached substantial tax allowances.

In the last year a sum equivalent to over half the proceeds of FCE's £5.1m 1985 rights issue has been used to buy industrial buildings as part of these tax planning schemes.

The row over taxation has crystallised out into a clash over management styles. Crucible, while full of praise for the way Leslie Connor has transformed a plane company into an electronics group, clearly feels that the next phase in FCE's development requires something other than an entrepreneurial approach.

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# Kenyon Securities advances

Pre-tax profits at Kenyon Securities, federal and ancillary services group, improved from £187,000 to £388,000 in the six months to September 30 1985.

The results incorporate the trading activities of J. A. Massey & Sons (Barrow), F. Clutterham & Son (Bury St Edmunds), F. Hammond & Sons (Newmarket) and a private company,

Hambrook & Johns (Folkestone), all of which were acquired after September 30 1984.

During the period under review, Kenyon also provided its services in respect of two air accidents.

The directors believe the results reflect the success of the group's services, together with its policy of expansion through

acquisitions. They are confident that these factors will continue to contribute towards its profitability for the current year.

Turnover of this USM company rose from £1.9m to £3.16m. The interim dividend is raised from 3.125p net to 3.4p. Stated earnings per 25p share improved from 1p to 1.15p. The net profit was up from £84,000 to £163,000.

NEW ISSUES January 29, 1986



**\$900,000,000**  
**8.65% Debentures**

Dated February 4, 1986 Due March 12, 1990  
Series SM-1990-J Cusip No. 313586 UM 9  
Non-Callable

**Price 100%**

**\$600,000,000**  
**9.35% Debentures**

Dated February 4, 1986 Due February 12, 1996  
Series SM-1996-B Cusip No. 313586 UM 7  
Non-Callable

**Price 100%**

The debentures are the obligations of the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.).

This offering is made by the Federal National Mortgage Association through its Senior Vice President-Finance and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

**Gary L. Perlin** **Joseph G. Brown**  
Senior Vice President-Finance and Treasurer Vice President-Fiscal Office

100 Wall Street, New York, N.Y. 10005

This announcement appears as a matter of record only.

### NOTICE OF REDEMPTION

To the Holders of

## SYBRON OVERSEAS CAPITAL N.V.

8% Guaranteed Sinking Fund Debentures Due March 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Article 7.3 of the Indenture dated as of March 1, 1972 providing for the above Debentures, \$1,203,000 principal amount of said Debentures have been selected for redemption on March 1, 1986, through operation of the Sinking Fund as the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of \$1,000 bearing serial numbers as follows:

DEBENTURES BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

|    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
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UK COMPANY NEWS

Allied Textile shares spurt on £6.4m profit

THE ENLARGED manufacturing, processing and distribution group Allied Textile Companies has achieved a pre-tax profit of £6.4m for the year ended September 30 1985 and is paying a final dividend of 9p for a year's total of 13p net, against 12.5p forecast.

Figures include Mayfield Holdings which was acquired last June in consideration for cash and shares. Adjusting 1985-86's profits to a merged basis they came to £5.44m and the dividend, after a scrip issue, was 7.25p.

With this year's final dividend the directors are to make a 1-for-1 scrip issue.

City analysts were expecting this year's profit to be in the £5.8m-£6.5m range. The shares gained 28p on the day to close at 448p.

Mayfield's business covers the weaving, dyeing and finishing of lightweight fabrics, the manufacture of pile fabrics particularly for the transportation industry,

and the production of toilet bags and other items for departmental and chain stores.

Combined turnover for the year moved up from £51.25m to £54.63m. After tax £2.11m (£2.18m) the net profit came to £4.28m (£3.29m) for earnings per share of 39.3p (30p). Additionally, there are extraordinary debits of £475,000 (£250,000, less credit £98,000).

Salient features of the 1985-86 results of Allied Textiles only were a pre-tax profit of £4.17m from sales of £51.96m. A net profit of £2.59m gave earnings of 28.6p.

Comment

Allied Textile Companies' 31 per cent earnings growth gives few grounds for complaint from shareholders who resisted LMI's bid overtures last spring. The increase is in no small part due to ATC's takeover of Mayfield, which has contributed £1.8m to the pre-tax figure. Even without

Chancery Securities ahead and set for substantial growth

Chancery Securities, the London-based licensed deposit taker and dealer in securities which came to the USM last month, is currently trading well in line with the directors' expectations.

They say demand for advances is continuing to increase and that the company is now able to participate to a greater extent in syndicated and other advances.

The six months to September 30 1985 saw the company's profits rise from £285,000 to £405,000 at the pre-tax level after taking account of a £75,000 rise in administration expenses to £407,000.

In the prospectus the directors said they were looking for full-year profits of £1.1m and added that they intended to pay a final dividend of 0.9p.

Turnover for the half-year amounted to £1.25m (£7.7m) with the cost of sales at £412,000 (£7.12m). The comparative figures included transactions in commodities.

The interim report points out that in the current year no commodity trading has taken place and none is expected to occur in the future. If commodity trading is excluded comparative turnover would have amounted to £905,000 and cost of sales £236,000.

The report also points out that group profits historically are not accrued evenly over an accounting period and accordingly, the results for the first six months should not be regarded as indicative of the full-year figures.

However, the profits for the opening half were as anticipated by the directors when formulating the forecast of not less than £1.1m made in the prospectus.

The company's larger capital base and the resultant additional capacity achieved by arranging further credit lines well in advance of the next financial year enables the directors to anticipate substantial growth beyond the current year.

Zetters wins at bingo with 30% profits rise

CONTINUED growth in the results of its bingo clubs enabled Zetters Group, the football pools operator, to lift pre-tax profits almost 30 per cent in the six months to September 30, 1985.

The profits rose from £801,000 to £778,000 on turnover up 8.25 per cent from £12,050m to £13,045m. This included a 16.85 per cent rise in turnover on bingo from £3.26m to £3.83m but only a 5.03 per cent rise on

Home Farm boosts profits by 73%

Satisfactory trading has enabled Home Farm Products to lift its pre-tax profit by 73 per cent in the half-year to November 30 1985, from £397,000 to £689,000.

The directors report that trading continued satisfactorily up to Christmas, but has fallen away a little since. For the year ended June 1 1985 the group made £803,000.

In their annual statement last October they said they were looking for a pleasing increase in profit for the first six months. But they also warned that the group could have a poor period, and that might happen in the second half. They are holding the interim dividend at 1.15p per share.

For the half-year, turnover of the group rose from £13.82m to £14.7m, or by 6.5 per cent. Its main activities are concerned with the production of pork and pork products and other convenience foods.

Tax took £282,000 (£171,000) to leave earnings per share at 8.7p (4.7p).

An EGM is called for February 19 to consider the introduction of an executive share option scheme.

Kewill rises 28% and planning acquisitions

Kewill Systems, which joined the unlisted securities market in September, raised pre-tax profits by 28 per cent from an adjusted £222,000 to £285,000 in the six months to September 30 1985.

Turnover of the company — engaged in the design and marketing of computer-based production control systems — showed a 51 per cent increase from £1.25m to £1.94m.

The directors say trading in the computer systems market has recently become more difficult, but the company is well established in its markets and they are confident of reporting another successful year's trading.

The directors reveal that the group has held preliminary discussions with a number of computer systems houses, with a view to making acquisitions.

They say adverse conditions for the industry generally may provide significant opportunities for the company in this area, given the financial resources available following the 1985 share placing.

The company sold its interest in its associate, Freight Software Systems, in March, 1985, and comparative figures have been adjusted to exclude the effect of this former offshoot.

Tax charge was £118,000 (£103,000). There were also extraordinary debits of £32,000 (£2,000 credits) representing the write-off of goodwill arising on consolidation, following the acquisition of a further 13.64 per cent of the equity of Programming and Software Implementation in September.

There is no interim dividend, but the directors intend to recommend a final.

The company is continuing to invest in research and development of the existing Micros modules.

Continental Telephone International Finance Corporation

5 1/2% Guaranteed Convertible Debentures Due 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of March 1, 1986 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on March 1, 1986, through the operation of the sinking fund provided for in said Indenture, \$317,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COTYPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

|      |      |      |      |      |      |      |      |      |       |       |       |       |       |       |
|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|
| 3300 | 1005 | 2388 | 3310 | 4312 | 5049 | 5408 | 6508 | 7090 | 15339 | 19612 | 20772 | 21347 | 22290 | 23511 |
| 307  | 1699 | 2347 | 3289 | 4319 | 5067 | 5610 | 6514 | 7123 | 15773 | 19614 | 20607 | 21717 | 22644 | 23643 |
| 172  | 1890 | 2200 | 3431 | 4365 | 5090 | 5416 | 6522 | 7152 | 16480 | 19618 | 20640 | 21750 | 22679 | 23678 |
| 894  | 1890 | 2200 | 3439 | 4373 | 5097 | 5421 | 6527 | 7157 | 16482 | 19620 | 20642 | 21752 | 22681 | 23680 |
| 896  | 1725 | 2142 | 3501 | 4362 | 5179 | 5659 | 6589 | 7190 | 17018 | 20010 | 20958 | 21829 | 22697 | 23726 |
| 900  | 1724 | 2426 | 3549 | 4506 | 5189 | 5494 | 6549 | 7486 | 17772 | 20652 | 20909 | 21929 | 22810 | 23770 |
| 1153 | 1791 | 2401 | 3596 | 4512 | 5216 | 5668 | 6584 | 7470 | 18094 | 20992 | 20948 | 22058 | 22912 | 23762 |
| 1152 | 1822 | 2530 | 3611 | 4545 | 5339 | 5661 | 6662 | 7479 | 18409 | 20950 | 20906 | 22016 | 22870 | 23827 |
| 1151 | 1826 | 2676 | 3653 | 4749 | 5338 | 5672 | 6673 | 7490 | 18865 | 21156 | 21163 | 22273 | 23127 | 24082 |
| 1150 | 1914 | 2728 | 3650 | 4773 | 5361 | 5694 | 6695 | 7521 | 19240 | 21228 | 21184 | 22294 | 23148 | 24103 |
| 1311 | 1936 | 2824 | 3823 | 4806 | 5449 | 5773 | 6774 | 7524 | 19624 | 21328 | 21284 | 22394 | 23248 | 24203 |
| 1312 | 2116 | 2971 | 3828 | 4813 | 5471 | 5810 | 6811 | 7561 | 19978 | 21432 | 21388 | 22498 | 23352 | 24307 |
| 1317 | 2181 | 3059 | 3999 | 4916 | 5477 | 5818 | 6819 | 7569 | 20244 | 21536 | 21492 | 22602 | 23456 | 24411 |
| 1322 | 2156 | 3070 | 4014 | 4821 | 5516 | 5857 | 6858 | 7608 | 20510 | 21602 | 21558 | 22668 | 23522 | 24477 |
| 1321 | 2170 | 3075 | 4019 | 4926 | 5521 | 5862 | 6863 | 7613 | 20518 | 21610 | 21566 | 22676 | 23530 | 24485 |
| 1323 | 2184 | 3144 | 4046 | 4936 | 5549 | 5890 | 6891 | 7641 | 20774 | 21666 | 21622 | 22732 | 23586 | 24541 |
| 1324 | 2193 | 3156 | 4104 | 4957 | 5637 | 5890 | 6891 | 7641 | 20782 | 21674 | 21630 | 22740 | 23594 | 24549 |
| 1326 | 2190 | 3152 | 4114 | 4957 | 5644 | 5894 | 6895 | 7645 | 20782 | 21674 | 21630 | 22740 | 23594 | 24549 |
| 1328 | 2220 | 3250 | 4191 | 5015 | 5649 | 5897 | 6897 | 7671 | 20954 | 21710 | 21666 | 22776 | 23630 | 24585 |
| 1329 | 2256 | 3252 | 4195 | 5027 | 5656 | 5904 | 6904 | 7678 | 21002 | 21710 | 21666 | 22776 | 23630 | 24585 |
| 1499 | 2297 | 3251 | 4197 | 5029 | 5654 | 5902 | 6902 | 7676 | 21002 | 21710 | 21666 | 22776 | 23630 | 24585 |
| 1504 | 2321 | 3308 | 4234 | 5035 | 5659 | 5907 | 6907 | 7682 | 21002 | 21710 | 21666 | 22776 | 23630 | 24585 |

BOARD MEETINGS

| TODAY                                 | FUTURE DATES                     |
|---------------------------------------|----------------------------------|
| Interim: B.S. Chicago Gold Mines      | Interim: B.S. Chicago Gold Mines |
| Robert M. Douglas, M.L. Holdings      | Concession Syndicate             |
| Mayfair and City Properties, Neasden  | Herrington Brooks                |
| Geosyn Consolidated, Peartree, Regent | Stonhill                         |
| Property Trust, Wiggins, Winstrop     | Tweeddale United Collieries      |
| Finale: Anglo Trust, Associated       | Finale: Anglo Trust, Associated  |
| Fisheries, Domino Private Sciences    | Barnatex                         |
| A. Karshaw, Lornio, M and G Group     | Quintel                          |
| Rank Organisation, Spax Television    | Throgmorton Trust                |
| Sycamore, Talbot, Warner Estates      |                                  |

NOTICE OF REDEMPTION OF CERTAIN NOTES OF CONTINENTAL ILLINOIS OVERSEAS FINANCE CORPORATION, N.V.

Designated 5 1/2% Guaranteed Notes Due March 1, 1986

NOTICE IS HEREBY GIVEN that Continental Illinois Overseas Finance Corporation, N.V., a Netherlands Antilles Corporation (the "Company") and a wholly-owned subsidiary of Continental Illinois Corporation, a Delaware Corporation, has elected to redeem and will redeem all of the outstanding 5 1/2% Guaranteed Notes due March 1, 1986 (the "1986 Guaranteed Notes") of the Company as follows:

- The Redemption Date is March 1, 1986.
- The Redemption Price is 101% of the principal amount of the 1986 Guaranteed Notes.
- All of the 1986 Guaranteed Notes will be redeemed.
- On the Redemption Date, the Redemption Price of \$1.01 plus accrued interest from March 1, 1985 to March 1, 1986 of \$175.50 will become due and payable for each \$1,000 face amount of the 1986 Guaranteed Notes and interest thereon shall cease to accrue on and after the Redemption Date.
- The 1986 Guaranteed Notes may be surrendered, with all coupons maturing after the Redemption Date attached, for payment at:
  - Continental Bank International, 520 Madison Avenue, New York, NY 10022
  - Continental Illinois National Bank and Trust Company of Chicago, Corporate Trust Offices, 31 North LaSalle Street, Chicago, IL 60607
  - Continental Illinois National Bank and Trust Company of Chicago, Bockenhelmstrasse 24, 6000 Frankfurt, Main, Germany
  - Continental Illinois National Bank and Trust Company of Chicago, Continental Bank House, 112 Queen Victoria Street, London EC4V 4BE
  - Continental Bank S.A./N.V., Rue De Lou 227, 1040 Brussels, Belgium
  - Continental Illinois National Bank and Trust Company of Chicago, 10 Avenue Montaigne, Paris 75008, France
  - Amsterdam-Rotterdam Bank N.V., Heerengracht 395, Amsterdam 1017 CE, P.O. Box 203, The Netherlands
  - Banque Generale de Luxembourg S.A., 14 Rue Aldringen, Luxembourg
  - Suisse Stavelot Bank, Bahnhofstrasse 18, P.O. Box 3051, 8002 Zurich, Switzerland
  - Continental Illinois National Bank and Trust Company of Chicago, Fiscal Agent

Dated January 29, 1986

YEARLING BONDS totalling £25m at 12 1/2 per cent redeemable on February 4, 1987, have been issued by the following local authorities: St Helens Metropolitan Borough Council £7.5m; Swamsea (City of) £0.5m; West Yorkshire Metropolitan County Council £0.5m; Bedfordshire County Council £0.5m.

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JOINT COMPANY ANNOUNCEMENT

FREE STATE GEBULD MINES LIMITED (Registration No. 05/26324/06)

PRESIDENT BRAND GOLD MINING COMPANY LIMITED (Registration No. 05/32680/06)

PRESIDENT STEYN GOLD MINING COMPANY LIMITED (Registration No. 05/28210/06)

WESTERN HOLDINGS LIMITED (Registration No. 05/09246/06)

WELKOM GOLD MINING COMPANY LIMITED (Registration No. 05/24464/06)

(all of which are incorporated in the Republic of South Africa)

FORMS OF ELECTION

Members are referred to the Joint Company announcement dated January 29, 1986 which appeared in the press, copies of which are being posted to members.

Members wishing to exercise the tender options set out in the document sent to members on January 6, 1986 are reminded that they must do so on or before 1600 on January 31, 1986 as set out in the Schemes of Arrangement contained in that document. However, in the light of representations received, the Companies have agreed that, notwithstanding the fact that such elections are stated on the Forms of Election/Surrender to be irrevocable, notice should be in writing (for which purpose a certified telex will be acceptable) addressed to Consolidated Share Registrars in Johannesburg or Hill Samuel Registrars in London to be received not later than 1600 on February 14, 1986.

Johannesburg January 30, 1986

Daejan Holdings PLC

INTERIM STATEMENT

Unaudited results for the half year ended 30th September 1985

|  | 6 months to 30.9.85 £'000 | 6 months to 30.9.84 £'000 |
|--|---------------------------|---------------------------|
| Rent and Service Charges less Property Outgoings | 3,926                     | 3,456                     |
| Surplus on Sales of Properties and Other Income  | 5,603                     | 5,456                     |
| Financing Charges and Other Expenses             | 2,144                     | 2,636                     |
| Group Profit before Tax                          | 7,385                     | 6,276                     |
| Taxation   | 3,000                     | 2,600                     |
| Minority Interests                               | (6)                       | 13                        |
| Earnings Per Share                               | 26.87p                    | 22.64p                    |

An Interim Dividend of 5.0p per share (1985 - 5.0p) will be paid on 20th March 1986 to shareholders registered on 20th February 1986. This dividend will absorb £815,000 (1985 - £815,000).

Present indications are that Group profits before tax for the full year ending 31st March 1986 will be not less than those of the previous year.

NOTICE TO HOLDERS OF BEST DENKI CO., LTD. (Kabushiki Kaisha Best Denki)

5% Per Cent Convertible Bonds Due 1987

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 24th March, 1982 under which the above Bonds were issued, notice is hereby given as follows:

On December 17, 1985, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders as of record as of February 28, 1986, in Japan, at the rate of 0.3 new share for each share held.

Accordingly, the conversion price at which the above Bonds may be converted into shares of Common Stock of the Company will be adjusted effective March 1, 1986, Japan time. The conversion price in effect prior to such adjustment is Yen 1,036.50 per share of Common Stock, and the adjusted conversion price (taking into account the adjustment of Yen 0.10 by reason of the previous issuance of the Company's Convertible Bonds in Japan, on May 29, 1985, with the conversion price less than current market price) will be Yen 797.20 per share of Common Stock.

BEST DENKI CO., LTD. By: The Bank of Tokyo Trust Company as Trustee Dated: January 30, 1986

GALLAHER

A year of growth from every sector of the Group

1985 was another record year for sales and profits. Sales were 9% ahead at £3,095m and trading profits 7% up at £131.1m. Profit before tax, held back by higher interest charges, improved to £109.7m.

Both tobacco and non-tobacco shared in the growth. Trading profit, before adjustments,\* rose by 8% for tobacco and 14% for non-tobacco, with every sector recording a gain. Over the past four years the growth of non-tobacco profits has been 120%.

Summary of Results for year ended 31st December, 1985 (unaudited)

|                                | 1985 £ million | 1984 £ million |
|--------------------------------|----------------|----------------|
| Group Sales                    | 3,095.0        | 2,839.1        |
| Group Trading Profit           | 131.1          | 122.2          |
| Interest Charges               | (21.4)         | (14.0)         |
| Group Profit (before Taxation) | 109.7          | 108.2          |

\*Adjustments include exchange differences and unrealised profits.

**Tobacco**

Sales of Gallaher cigarettes in the UK were up by 1% in a reduced total market. This increase in volume and market share reflected the continued strength of Benson and Hedges Special Filter, Silk Cut, Kenstar and Berkeley. Exports continued to develop well, with Silk Cut as the major seller.

UK sales of Gallaher cigars also increased in volume and market share, with Hamlet further consolidating its dominant position in the market. Moreover, in the two depressed sectors of pipe and roll-your-own tobacco, Gallaher increased market share with sound performances from Clan, Mellow Virginia, Old Hoborn and Samson. The combined overseas tobacco companies produced better results mainly due to a strong recovery by Niemyer.

**Optical**

Overall results for the year were slightly ahead, with the UK showing only a small reduction despite the turbulent market conditions. The Italian and Spanish companies had excellent results.

**Engineering**

Profits rose by 11% to £7.3m. Saunders Valve moved strongly ahead, and our Italian subsidiary, FIP, also progressed. Mono Pumps was a little down as a result of the UK coal miners' strike, economic and drought problems in Africa and reorganisation costs.

**Distribution**

Particularly strong results from Forbuys were responsible for a 10% rise in divisional profits to £10m.

**Office Products**

Overall, good progress was made by the Ofrex Group. Rexel, the largest operating company, had an excellent year, and the group results would have been much better but for a poor performance in Australia.

**Housewares**

The Prestige Group achieved record profits before tax in its first full year with Gallaher. Exports did particularly well but conversion of overseas profits was affected by the stronger pound.

**Outlook for 1986**

A strong base has been built from which faster growth can be expected, always provided that taxation of tobacco products in the UK is not raised unreasonably.

S.G. CAMERON, CHAIRMAN

Gallaher Limited, 65 Kingsway, London WC2B 6TG. Tel: 01-242 1290. Telex: 25505.

UK COMPANY NEWS

Gallaher held back by interest charges after record trading

DESPITE RECORD sales and trading profits, higher interest charges resulted in the pre-tax result of Gallaher emerging just ahead at £109.7m, against £108.2m, for 1985.

Both tobacco and non-tobacco shared in the 1985 growth with tobacco trading profits 8 per cent ahead and non-tobacco 14 per cent up.

Distribution improved to £10m (£9.1m) due to particularly strong results from Forbays. Turnover was £818.1m (£776.1m).

Greenwich Resources prepares for full production in Sudan

Greenwich Resources, which is preparing to go to full production at its Gebelt gold venture in the Sudan, reports an operating loss for the year to September 30 1985 of £406,946 against a loss of £428,267 in 1984.

The net loss is £572,789 against a net loss of £1.42m. This is after reductions in interest receivable, mineral property cost write-offs and exploration spending.

Meanwhile, the company is negotiating for gold and diamond prospects in Venezuela, and has reached agreement on a joint venture to explore and develop diamond deposits in the Litorao area.

NEW LIFE BUSINESS

Record year for GRE as new premiums rise 54%

A record year for new life and pensions business in 1985 is reported by Guardian Royal Exchange Assurance, with total new business premiums worldwide increasing by more than half from £204m to £315m.

Previously, the terminal bonus rate was 30 per cent of attaching bonuses. This has been replaced by a variable scale depending on when the contract was taken out. It ranges from 52.5 per cent of attaching bonuses for contracts taken out in 1985 to a maximum of 123 per cent for policies started on or before 1984.



Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State Reports of the Directors for the quarter ended December 31 1985

WESTERN HOLDINGS Western Holdings Limited. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

PRESIDENT BRAND - continued. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

FREE STATE GEDULD - continued. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

WESTERN HOLDINGS (continued). Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

PRESIDENT BRAND (continued). Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

FREE STATE GEDULD (continued). Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

PRESIDENT BRAND President Brand Gold Mining Company Limited. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

FREE STATE GEDULD Free State Gold Mines Limited. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Operating Results, Financial Results, and Development.

JOINT METALLURGICAL SCHEME. Table with columns for Quarter ended Dec 1985, Quarter ended Sept 1985, and Year ended Sept 1985. Rows include Summary, Development, and Financial Results.

On its UK business, GRE benefited from the pre-Budget fears of a change in pension tax relief, resulting in new annual premiums doubling on self-employed contracts and rising by half on executive pension plans.

Strong pensions growth at Norwich Union

Norwich Union Insurance reports strong growth in its UK new life and pension business in 1985, with new annual premiums up by 10 per cent to £28.6m, and single premium business up a third to £318.6m.

However, the mortgage market rallied strongly during the year, with business in the final quarter 30 per cent up on 1984. The group reported significant growth in endowment savings contracts, despite the loss of life assurance premium relief.

THE REPUBLIC OF ITALY U.S. \$500,000,000 Floating Rate Notes due 1999. Includes notice of early redemption and agent bank information.

Contracts and Tenders Intervention Board for Agricultural Produce INVITATION TO TENDER. Details of tender requirements for agricultural produce.

Legal Notices IN THE HIGH COURT OF JUSTICE IN THE MATTER OF THE COMPANIES ACT 1985. NOTICE IS HEREBY GIVEN that a Petition was on the 17th December 1985 presented to the Court for the winding up of the company.

Company Notices PETRO-CANADA INC. US\$125,000,000 Guaranteed Floating Rate Notes due January 1995. Notice is hereby given that for the interest period commencing 31st January 1986 the Notes will bear interest at the rate of 7.2625% p.a.

WELKOM GOLD MINING COMPANY LIMITED The attention of shareholders is directed to the report of WESTERN HOLDINGS LIMITED

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED NOTE 1. DEVELOPMENT Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

Handwritten Arabic text: مكان العمل



LAW AND SOCIETY

Too soft on violence, too hard on theft

By A. H. HERMANN, Legal Correspondent

"THERE IS, week by week and year by year, a growing volume of complaints from the public against lenient sentences," said Lord Haleham, the Lord Chancellor, recently. He also thought that the grumblings of the legal system took too little account of public opinion.

The key deprivation of prison life is not of food, of warmth or of physical exercise in the open air, it is of love and sympathy. An experienced prisoner knows that after some time the prison provides a new social context and they are widely accepted by the other prisoners. And yet, the practice is quite different. Murderers and rapists and those who endanger life by drunken driving are often let off lightly, while prisons are overcrowded with young people whose aggressiveness and search for adventure could be channelled to better purpose.

Sentencing in rape cases has become less arbitrary since a judge, in 1982, let a rapist off with a fine because he thought that the victim had been guilty of contributory negligence. In a rape case, a rapist appeared because he thought his sentence too severe, the Court of Appeal found it to be too lenient and said that immediate custodial sentences in rape cases are necessary to deter others from committing crime.

There are only two good reasons for sending people to prison. The first is to keep criminals out of mischief and the second is to deter others from committing crime.

The deterrent effect can be blunted by sending to prison too many people for offences which could be dealt with otherwise. The fear of prison is greatest among those who have not experienced it. The magnitude of this fear depends primarily on the state of mental preparedness for isolation from the everyday world.

But after a time in prison the painful loss of social identity is regained by integration within the prison society. The key deprivation of prison life is not of food, of warmth or of physical exercise in the open air, it is of love and sympathy. An experienced prisoner knows that after some time the prison provides a new social context and they are widely accepted by the other prisoners. And yet, the practice is quite different. Murderers and rapists and those who endanger life by drunken driving are often let off lightly, while prisons are overcrowded with young people whose aggressiveness and search for adventure could be channelled to better purpose.

These are the basic considerations on which policy should rest. They are widely accepted by our policy makers. And yet, the practice is quite different. Murderers and rapists and those who endanger life by drunken driving are often let off lightly, while prisons are overcrowded with young people whose aggressiveness and search for adventure could be channelled to better purpose.

By contrast, a day spent in a magistrates' court will leave one feeling that most of the youths who are up before the Bench could be cured of their misdemeanours if they were confronted with their victims and given the opportunity to show effective regret by restitution or community service.

Instead, however, 16-year-olds are sentenced to a month in prison for petty thefts—in one case for stealing the chocolate biscuits worth as little as 75p. The 1982 Criminal Justice Act tried to restrict custodial sentences to those cases where no other was appropriate because the defendant was unwilling or unable to respond or because an imprisonment was necessary to protect the public or the offence was very serious. However, many benches take the view that any theft of more than £100 is a serious offence and any burglary deserves imprisonment for the protection of the public.

As for serious crime, Michael Stephen would give the prosecution the right to appeal against sentences which it considers too lenient was made in the Prosecution and Defence Bill 1984 and defeated by the House of Lords in January 1985. However, it is a more flexible means of ensuring that the worst crimes are punished with a deterrent effect than setting minimum limits on custodial sentences, as is done in many criminal codes in other countries.

Dealing with a different type of crime altogether, the Roskill Committee on complex fraud trials put its finger on another serious weakness of prosecution—the absence of a simple statutory definition of what constitutes the offence of fraud. This could be said about many other offences where common law has been obscured by layers upon layers of decisions by judges.

There seems to be an urgent need for a criminal code, so that judges and juries know what the trial is about. The code could also define what might constitute mitigating circumstances and the grounds for appeal by the prosecution in cases of serious crime should be viewed as the minimum requirement. On the other hand, the prosecution should have also the right to appeal against custodial sentences where other sentences would be more suitable to prevent the overcrowding of prisons or the blunting of the deterrent effect of a prison sentence. And perhaps one should not be so dismissive of the possibility of improving things by providing systematic refresher courses for judges and magistrates.

defence already has, though he would limit this to appeal from Crown Court sentences and make it dependent on the Attorney-General's approval. This means that the relatively few appeals would hardly constitute an additional burden on the Court of Appeal, on the contrary, many hopeless appeals by the defence—such as in the Roberts case—would be eliminated because of the fear of a cross-appeal by the prosecution.

The proposal to give the prosecution the right to appeal against sentences which it considers too lenient was made in the Prosecution and Defence Bill 1984 and defeated by the House of Lords in January 1985. However, it is a more flexible means of ensuring that the worst crimes are punished with a deterrent effect than setting minimum limits on custodial sentences, as is done in many criminal codes in other countries.

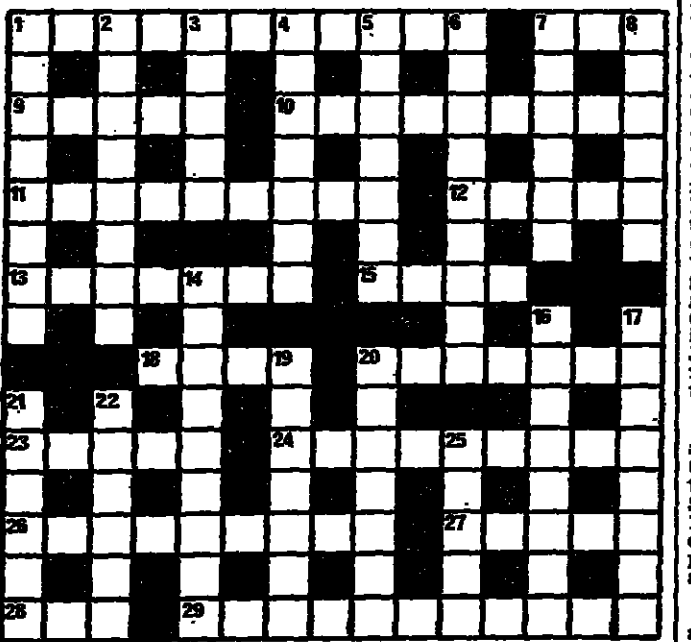
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FINANCIAL TIMES BOOKLETS

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F.T. CROSSWORD PUZZLE No. 5,935



- ACROSS
1 Tricks by stage engineers, back in France tomorrow (11)
7 Trouble you have with 22 down when 28 across is missing (3)
9 Somehow come to include "The First Assassin," a short literary piece (5)
10 Duty free, for example, brought back by bird (9)
11 Mutual dealings with, in proportion, the Spanish and the Poles (9)
12 Back the French girl's first year's entry in a chronicle (5)
13 Meeting to study diplomacy (7)
15 Placed a hat outside (4)
16 Swimmer Jack's returned to the vessel (4)
20 "The Swan" is no different to a Continental boarding-house (7)
23 A fresh idea with which many helped (5)
24 "Time to prepare" (the twin points to the name on the envelope) (8)
26 Never failing to find Pearl drunk, has about nine brought in (9)
27 The point is, in races it's an unexpected development (5)
28 To have 22 down without 7 across is revolutionary (3)
29 Laker rested, adjusting his hat (11)
DOWN
1 Sprinkling oil over cold cereal makes it sweet (8)

APPOINTMENTS Restructured board for Asda-MFI

The group chairman of the ASDA-MFI GROUP is to retire in October after the annual meeting. Mr Noel Stockdale, who has served ASDA for 25 years, goes as part of the restructuring of the group board. The group, formed when the two companies merged last April, reported a record profit earlier this month. A non-executive chairman is to be appointed soon. Mr Derek Hunt, chairman of MFI, becomes chief executive and a deputy chairman of the group. Mr Roy Beasley will continue as deputy chairman until his retirement in December 1987. Mr John Hardman continues as managing director of ASDA, and is appointed deputy chairman of the group. Mr Edward Lea made group finance director in succession to Mr Derek Drew, who is taking early retirement. Mr John O'Connell is appointed managing director of MFI Furniture Group.

Mr Alan Daniels has been appointed managing director of CHLAB-EXEM as product director. He was with Chloride Standby Systems from 1976 to 1985 as a product design engineer, head of product design, product engineering manager and finally technical manager. Mr Will E. Shanley has been appointed group treasurer of EVERED HOLDINGS. He joined from Johnson Matthey.

Mr Richard Bett has been appointed managing director of UNDERWOODS (CASH CHEMISTS) and a director of UNDERWOODS. Mr Julian Greenwood has been appointed a director of Underwoods (Cash Chemists).

Mr Richard E. Cowell, managing director of Cog (Engineering), has been elected president of the ALUMINIUM FEDERATION for 1986. Mr Jowell had served on the Federation's central and international relations committee for a number of years and was a vice-president during 1985.

TOZER VEHICLE SERVICES, one of the four main automotive groups within Tozer Kenney & Milbourn (Holdings), has made three internal appointments. Mr Maurice Rowke is appointed sales and marketing director of the Dalhazim companies (Dalhazim UK and Ireland). He was previously sales director of Dalhazim UK. Mr Martin Johnston is appointed operations director with responsibility for the operations of Gasbag Group. He retains his responsibilities as after sales director of the Dalhazim companies. Mr John Deau is appointed finance director. He was previously finance director

of Dalhazim UK, a responsibility he retains. Mr Joel Bleck and Mr Trevor Rogers have been appointed as joint directors of ASDA and MFI respectively for the newly-formed life and pensions divisions of the ROYAL LIVER GROUP of SIEBER. Mr Bleck works with Manufacturers Life and Trident Life and Mr Rogers was previously Royal Liver's actuarial services manager.

Mr David Small has been appointed general manager of the ROYAL LIVER BUILDING SOCIETY. He was previously general manager responsible for corporate planning and specialist housing. Mr Stanley Cummings has moved from assistant general manager (members' accounts) to assistant general manager (finance). Other new appointments at assistant general manager level are: Mr Row Alderman (marketing), Mr Frank Bartlett (tending policy), Mr David Blake (corporate affairs), Mrs Jackie Riley (corporate planning), and Mr Michael Skinner (members' accounts).

CONTINENTAL LIFE ASSURANCE, a subsidiary of The Continental Corporation, is to appoint Mr Peter Kemp as managing director. He will replace Mr W. T. Green who will retire on January 31. Mr Kemp has been managing director of The Continental Corporation for the past year after completing a 30-year career with the Commercial Union Group. VALOR COMPANY is making a series of senior managerial appointments: Mrs Phyllis Obermaier the group's first public affairs adviser, arrives from Paragon Communications, of which she was a founder and director. Mr Roger Shenton will be director at United Kitchens, joins from Wiggins Teape, where he was production manager. Following this appointment, Mr Peter Kemp is redesignated technical director, United Kitchens. Mr Lindsay Tate becomes managing director of Valor Electrical. He was previously sales director at Thorn EMI Major Electrical Appliances. Mr Michael Bridges, manufacturing director of Valor Heating, having formerly been works manager with Glavel Leisure, a Glazed subsidiary. Mr Brian Allen is made purchasing manager. Mr Peter Walsh, who served from Buildin's in November last year. Rank Holidays and Crecation is part of the Rank Organisation.

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts and their performance metrics. Columns include trust names, managers, and performance data. The table is organized into sections such as 'Authorised Unit Trusts', 'Equity Unit Trusts', 'Fixed Income Unit Trusts', etc.



AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various unit trusts and insurance companies with columns for company name, address, and financial data.

INSURANCES

Handwritten Arabic text at the bottom of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including sections for Scottish Mutual Assurance Society, Scottish Mutual Investments, and various life assurance policies.

Main table of insurance, overseas, and money funds, listing various fund names, their managers, and performance metrics.

Table of money funds, listing various fund names and their performance data.

Table of money market trust funds, listing various fund names and their performance data.

Table of money market bank accounts, listing various bank account names and their performance data.

Table of offshore and overseas funds, listing various fund names and their performance data.

Table of money funds, continuing the list of various fund names and their performance data.

Table of money market bank accounts, continuing the list of various bank account names and their performance data.

Table of options 3-month call rates, listing various call rate options and their performance data.

NOTES

Notes section containing various financial notes, disclaimers, and information regarding the data presented in the tables.



COMMODITIES AND AGRICULTURE

Fraud fears hit Antwerp diamond trading

By Paul Cheswright in Brussels
UNCERTAINTY has swept over the Antwerp diamond market following the disclosure that Kirschen Roger, a leading stockbroker in the city with strong links to the diamond community, is being investigated for tax fraud.

Trading has slackened off this week, the Diamond High Council, representing the industry, said yesterday.
No figures were available, said an official, but he noted that an Italian buying mission had decided to stay away because of the investigation.

The Council fears that speculation about the probability of the diamond market will scare the industry away to other centres.
Judge Benoit Dejeunne, a Brussels examining magistrate, and a tax inspection team are seeking to establish whether Kirschen Roger, two partners of which are free on bail, has been:

Passing out dividends on stocks without deducting a 25 per cent withholding tax and not buying and selling precious metals for clients without paying 1 per cent value added tax.
Although the investigation is directed at the affairs of a stockbroker and not a diamond broker, the diamond trading community has become implicated because many of its members are clients of Kirschen Roger.

The Kirschen Roger offices are in the heart of the Antwerp diamond quarter.
So far the confusion in Antwerp over the ramifications of the affair has not affected diamond prices which, in any case, tend to move slowly.
In recent months prices have been edging upwards. The Antwerp Diamond Index for small brilliant gemstones has had six successive monthly rises from 98.5 in August to 90.0 this month.

But the fraud investigation appears to have checked rising interest in the market. Trading levels this month had until last weekend been higher than usual in January, traditionally slack after Christmas.

Brazil to buy Canadian wheat

CANADA has reached an agreement to sell up to 4.5m tonnes of wheat to Brazil under a long term deal, according to Wheat Board Minister, Mr. Charles Mayer, reports Reuters from Ottawa.
Mr Mayer said the deal calls for Brazil to buy between 750,000 tonnes and 1.5m tonnes of wheat annually in 1986, 1987 and 1988. Pricing and other details have not been released.

Mary Frings on the aftermath of a four-year run of frosts Florida's citrus 'graveyards'

FLORIDA'S thousands of citrus growers are keeping their fingers firmly crossed this week as they harvest their orange crop. As they were forcibly reminded on Tuesday, when a freeze loomed over the state, January can be the cruellest month for the large and lucrative orange juice industry.

In the first half of this decade, four successive freezes in the state with place-names like Winterhaven and Frost-proof have killed 11m orange and 300,000 grapefruit trees, taking nearly a quarter of the total citrus acreage out of production. As if that were not enough, growers have also been threatened by the reappearance of a devastating disease known as citrus canker.

In the event, this week's freeze turned out to be relatively minor. But Florida is not yet out of the woods; another serious frost, or a body of cold air, could be a body just beginning to recover from the setbacks of the last few years.

Australia launches drive for marketing efficiency

By Patricia Newby in Canberra

AUSTRALIA'S ten primary industry Statutory Marketing Authorities (SMAs) are to be overhauled to maximise efficiency in marketing Australian agricultural products on depressed world markets.

The primary industry minister, Mr John Kerin, released a government policy statement yesterday to coincide with the opening of the annual National Agricultural Outlook Conference.

The conference is being held against a background of gloomy statistics from the Bureau of Agricultural Economics showing the real value of Australian rural production will fall by 20 to 25 per cent this year, that

some farms will make losses and that rural indebtedness shot up by 21 per cent last year.
The ten marketing authorities, which cover wool, wheat, meat and livestock, dairy produce, fresh, canned and dried fruit, honey, wine and tobacco, will be constituted on a corporate basis. They will be freed of many previous restrictions to enable them to compete on world markets aggressively and commercially.

Mr Kerin said in face of EEC and US export subsidisation policies Australia's farmers, who were among the world's most efficient, were having an "enormous battle" to hold their share of agricultural markets.

He urged farmers to look to productivity increases, better on-farm management and better marketing. Australia would not get into "competitiveness subsidisation" because it did not have the resources and believed it was against every one's long term interest, Mr Kerin said.

While the primary industries minister was preaching to the converted at home, his colleague the trade minister, Mr John Dawkins, was on his way to Europe for a round of discussions with the EEC and the US which he would need to address what he described as "a proliferation of protectionist and predatory trading practices."

Aluminium price rise forecast

By Stefan Wagstyl

ALUMINIUM prices are set for a sustained but un spectacular increase to average 60 US cents a pound in 1986 against 47.8 cents last year, says broker Shearson Lehman Brothers.

In its annual review of the aluminium industry, Shearson echoes the views of several other forecasters who have also singled out aluminium from other base metals to predict for it moderate price increases over the coming year.

Shearson expects stocks of aluminium in Western countries to continue falling with forecast consumption in 1986 at 12.25m tonnes (12.65m) outstripping production of 11.1m tonnes (12.5m). The slight fall in production is expected to come from a small reduction in the industry's capacity use—from 88 per cent in 1985 to 79 per cent this year.

Shearson expects that leading producers will keep closed the plants mothballed in recent years and carry out further

70 cents a pound. The US producers are seen as the world's swing producers—with relatively high operating costs they are expected to be the first to cut capacity in response to depressed market conditions.

The Australian trade minister, Mr John Dawkins, will hold talks in Zurich today with the new chief executive of Alusuisse, Mr Jucker, and the former chief executive who is now chairman of Australia's Aluminium Industry 1986, Shearson Lehman Brothers, Peninsular House, 36 Monument Street, London EC3.

Dr Sorate about a dispute which threatens to halt alumina exports from the Swiss aluminium subsidiary in Australia, writes Patricia Newby in Canberra. Mr Dawkins has refused to approve export licences for alumina bound for Alusuisse because he believes the price charged is not "fair and reasonable."

"Annual Review of the World Aluminium Industry 1986, Shearson Lehman Brothers, Peninsular House, 36 Monument Street, London EC3.

Peruvian labour minister to meet copper strikers

By Doreen Gillespie in Lima

LEADERS of the 6,000 striking workers of the Southern Peru Copper Corporation are due to meet Mr Carlos Blancas, the labour minister, today.

The workers voted yesterday to continue the indefinite strike, which began on Monday and could have become entangled in political infighting. The company, 52 per cent owned by Asarco of the US, accounts for some 70 per cent of Peru's copper production and in 1984 produced about 280,000 tonnes out of a national total of

Call to end timber pact deadlock

COUNTRIES which produce and consume tropical timber were strongly criticised yesterday for "wasting time" in implementing the International Tropical Timber Agreement.

The environmentalist groups Friends of the Earth International and the International Institute for Environment and Development have written to member governments of the agreement, which was fully ratified last year, urging them to break the current deadlock over administrative details.

Mary Frings on the aftermath of a four-year run of frosts Florida's citrus 'graveyards'

FLORIDA'S thousands of citrus growers are keeping their fingers firmly crossed this week as they harvest their orange crop. As they were forcibly reminded on Tuesday, when a freeze loomed over the state, January can be the cruellest month for the large and lucrative orange juice industry.

In the first half of this decade, four successive freezes in the state with place-names like Winterhaven and Frost-proof have killed 11m orange and 300,000 grapefruit trees, taking nearly a quarter of the total citrus acreage out of production. As if that were not enough, growers have also been threatened by the reappearance of a devastating disease known as citrus canker.

In the event, this week's freeze turned out to be relatively minor. But Florida is not yet out of the woods; another serious frost, or a body of cold air, could be a body just beginning to recover from the setbacks of the last few years.

The citrus industry is as vital to Florida as orange juice has become to health-conscious Americans. The \$7.5bn-worth of economic activity which it generates is second only to the \$16bn the state gets from tourism. There are 16,000 growers and 60,000 people employed in jobs ranging from harvesting to research. Research at the University of Florida suggests that indirectly the industry accounts for another 80,000 jobs.

The 1985 inventory shows just under 643,000 acres of citrus groves, devoted 75 per cent to oranges, 18 per cent to grapefruit and the rest to lime and "zipper-skin" fruits such as tangerines and tangelos.

The good news this year is that recovery from the twin blows of back-to-back freezes and canker has been faster than officials had dared to hope, largely as a result of increased production from the Indian River region on the east coast and new plantings in the south.

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LONDON MARKETS

THE DECLINE in coffee futures prices gathered pace yesterday as heavy speculative selling took values through established resistance levels.

The overnight fall in New York was matched soon after the opening with a decline of around £120 in the nearby positions. But a spate of fresh speculative selling produced a snowball effect as stop-loss orders were triggered and chart indications began to point firmly downwards.

By the close the March position was \$258 down at £2,222.50 a tonne—the lowest level since December 13. But despite the \$389 aggregate fall over the last two days some traders were still insisting that coffee prices would recover the upward path which lifted the March quotation to \$2,100 a tonne earlier this month. They said fundamentals remained essentially unchanged and forecast that prices would rise again once the current wave of depression had worked itself out and as the approach of the Brazilian frost season began to weigh on coffee brokers.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

Table with columns: Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

COPPER

Table with columns: Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

LEAD

Table with columns: Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

NICKEL

Table with columns: Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

ZINC

Table with columns: Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

GOLD

Table with columns: Unofficial +/- or High/Low, per ounce, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

SILVER

Table with columns: Unofficial +/- or High/Low, per ounce, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

MEAT

Table with columns: Unofficial +/- or High/Low, per cwt, 3 months, 5 months. Includes data for Cash, 3 months, 5 months.

INDICES

FINANCIAL TIMES
Jan. 29 Jan. 28 29th ago Year Ago
1984.9 1860.0 1772.4 9036.9

REUTERS
Jan. 29 Jan. 28 29th ago Year Ago
139.26 132.28 -1 131.70
139.17 132.49 -1 131.57

DOJONES
Jan. 29 Jan. 28 29th ago Year Ago
139.26 132.28 -1 131.70
139.17 132.49 -1 131.57

MAIN PRICE CHANGES
In tonnes unless otherwise stated.

Table with columns: Metals, Unofficial +/- or High/Low, per tonne, 3 months, 5 months. Includes data for Aluminium, Copper, Lead, Nickel, Zinc.

US MARKETS

PRECIOUS METALS traded mostly firmer on growing expectations of a US discount rate cut, reports Metcalf Commodities. Copper and aluminium were generally under pressure from arbitrage selling and slow cash interest.

Trade selling, possibly on producer account, led to pressure on sugar values. Coffee registered sharp losses on good nearby availability and reports that Colombia and Brazil are considering cuts in their minimum registration prices. A rally attempt in cocoa was short-lived as light origin offerings emerged.

Cotton traded firm on good trade buying linked to short-covering ahead of yesterday's USDA announcement on 1986 agricultural programmes. The energy markets were weak in response to a sharp build-up in crude oil stocks as reported in the weekly trade stocks report. The grain complex came under pressure ahead of the USDA programme announcement. The soybean complex remained mixed on weak product demand.

NEW YORK

Table with columns: Close, High, Low, Prev. Includes data for Aluminium, Cocoa, Coffee, Cotton, Gold, Silver, Wheat, Soybean Meal.

CHICAGO

Table with columns: Close, High, Low, Prev. Includes data for Live Cattle, Live Hogs, Soybean Meal, Soybean Oil.

COFFEE

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

COCOA

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

COTTON

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

WHEAT

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

SOYBEAN MEAL

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

HEATING OIL

Table with columns: Close, High, Low, Prev. Includes data for March, May, July, Sept, Nov, Dec.

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FOREIGN

Dollar
The dollar was steady against the pound and the franc.

Gold
Gold prices were firm, with the London price at \$354.50.

Oil
Oil prices were mixed, with heating oil up and diesel down.

Grains
Grain prices were generally firm, with wheat up and soybeans down.

Metals
Metal prices were mixed, with copper up and aluminium down.

Stocks
Stock prices were mixed, with the Dow Jones up and the Nikkei down.

Commodities
Commodity prices were mixed, with oil up and grains down.

Exchange Rates
Exchange rates were steady, with the dollar up and the pound down.

Interest Rates
Interest rates were steady, with the prime rate up and the discount rate down.

Government Bonds
Government bond prices were steady, with the 10-year note up and the 30-year bond down.

Foreign Exchange
Foreign exchange rates were steady, with the dollar up and the pound down.

Commodity Futures
Commodity futures prices were mixed, with oil up and grains down.

Stock Futures
Stock futures prices were mixed, with the Dow Jones up and the Nikkei down.

Options
Options prices were mixed, with the call option up and the put option down.

Market Summary
Market summary for the day, showing overall trends and key news items.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar moves closer to Y190

The dollar moved closer to the Y190 level against the Japanese yen yesterday, in spite of a cut in the Bank of Japan's discount rate...

STERLING - Trading range against the dollar in 1985-86 is 1.4825 to 1.4825. December average 1.4855. Exchange rate index fell 0.5 to 74.2, compared with 64.7 six months ago...

JAPANESE YEN - Trading range against the dollar in 1985-86 is 263.15 to 264.00. December average 263.747. Exchange rate index 182.0 against 157.6 six months ago...

FUTURES FINANCIAL

Short sterling eases

Short sterling prices finished down from Tuesday in the London International Financial Futures Exchange yesterday. Values were marked down as the start in line with a softer pound and a rise in cash rates...

LONDON

Table with columns: Close, High, Low, Prev. Includes data for 20-YEAR 12% NATIONAL GILT, 100-12 100-15 107-23, etc.

CHICAGO

Table with columns: Close, High, Low, Prev. Includes data for US TREASURY BONDS, 100-12 100-15 107-23, etc.

£ IN NEW YORK

Table with columns: Spot, Jan. 29, Prev. Close. Includes data for £1,000/\$1,482.50, £1,000/\$1,482.50, etc.

CURRENCY MOVEMENTS

Table with columns: Jan. 29, Bank of England, Morgan Guaranty. Includes data for Sterling, U.S. dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: Jan. 29, Bank of England, Morgan Guaranty. Includes data for Argentina, Brazil, Greece, etc.

CURRENCY FUTURES

Table with columns: Close, High, Low, Prev. Includes data for 100-12 100-15 107-23, etc.

POUND SPOT-FORWARD AGAINST POUND

Table with columns: Jan 29, Day's spread, Close, One month, % Three months, % Six months. Includes data for US, Canada, Belgium, etc.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Jan 29, Day's spread, Close, One month, % Three months, % Six months. Includes data for UK, Ireland, Canada, etc.

EXCHANGE CROSS RATES

Table with columns: Jan 29, \$, DM, YEN, F.Fr., S.Fr., H.Fl., Lira, C.S., B.Fr. Includes data for DM 1.93, YEN 162, F.Fr. 2.20, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Jan. 29, Short term, 7 Days notice, 1 Month, Three Months, Six Months, One Year. Includes data for Sterling, U.S. Dollar, etc.

MONEY MARKETS

Interest rates were a little higher where changed in London yesterday. Tuesday's better tone evaporated as sterling retreated in line with lower oil prices...

Uneasy calm pushes UK rates firmer

A shortage of around \$500m with factors affecting the market including maturing assistance drawings \$447m and Exchange transactions a further \$20m. There was also a rise in the note circulation of \$50m and banks brought forward balances \$20m below target...

NEW YORK RATES

Table with columns: Prime rate, Broker's loan, Fed funds, Treasury bills, etc. Includes data for Prime rate 9 1/2, Fed funds 7 1/2, etc.

MONEY RATES

Table with columns: Jan. 29, One, Two, Three, Six, 12 months. Includes data for Frankfurt, Paris, Zurich, etc.

STERLING INDEX

Table with columns: Jan 29, Previous. Includes data for 8.30 am, 9.00 am, 10.00 am, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Jan. 29, % change from central, % change from adjusted, % change from divergence. Includes data for Belgium, Denmark, etc.

FT LONDON INTERBANK FIXING

Table with columns: (11.00 a.m. Jan. 29), Three months U.S. dollars, Six months U.S. dollars. Includes data for bid 7 1/8, offer 8 1/8, etc.

LONDON MONEY RATES

Table with columns: Jan. 29, Over night, 7 days notice, Month, Three months, Six months, One Year. Includes data for Interbank, Sterling, etc.

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US TREASURY BONDS

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BRENT OIL

\$20.00, \$18.00, \$15.00??

STERLING

\$1.4000, \$1.3950, \$1.3850??

USE YOUR TOLERATE SCREEN FOR TODAY'S SCREEN.

CALL LINDSAY HORN 01-583 0044.



Company Notices

THE HERSEY DOCKS AND HARBOUR COMPANY. NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Hersey Docks and Harbour Company will be held at the Hersey Docks and Harbour Company Offices, Liverpool, on 11.00 a.m. on Wednesday, 27th January 1986...

Legal Notices

WVARCH LIMITED. NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act, 1965, that a Meeting of the creditors of Wvarch Limited, 77A Les Gables, Leeds, will be held at 40 Rodney Street, Liverpool L3 9AA, on Tuesday the 4th day of February 1986 at 3.30 p.m. in the afternoon, for the purposes provided for in Section 588 and 589 of the Companies Act 1965.

Art Galleries

AGNEW GALLERY, 43, Old Broad St., W1. 01-478 1178. MONDAY, 27th JANUARY 1986. 10.00 a.m. - 5.30 p.m. Thursday 30th.

THE CME'S NEW ECU FUTURES: When your risk is all over the map, your protection should be too.

When you face exposure in more than one European currency, you need protection that covers a lot of ground. The European Currency Unit (ECU) futures contract at the Chicago Mercantile Exchange's International Monetary Market (IMM) gives you the coverage you need. It's the newest addition to the currency-related futures contracts at CME, where currency futures originated in 1972.



Here's how ECU futures can help you keep your foreign currency exposure - and even interest rate risk - within manageable boundaries.

ECU futures cover Europe 10 ways

The ECU is a unit of account whose price reflects the value and performance of 10 European Economic Community currencies with the components weighted by the relative size of each country's economy. It is rapidly becoming a popular medium of exchange for European - and global - trade and finance transactions.

The free market determines the price at which the ECU trades against the dollar and other currencies, with the dollar price of the ECU approximating the total value of the dollar prices of the 10 individual components.

The ECU serves as a barometer of the value of European currencies. That means ECU futures can help you protect against - or take advantage of - changes in the performance of European currencies against currencies in other economic zones or against a single component currency.

Hedge currencies lacking futures and forwards

Because the CME's futures contract is based on a basket of currencies, it has unique versatility. For instance, it offers the ideal hedge for many combinations of European currencies. No opinions on the relative strengths and weaknesses of individual currencies are required, and there's the added advantage of transaction cost savings.

CME ECU futures can be used to manage the risk of adverse ECU exchange rate movements by fixing the value of a future purchase or sale, in the same way CME currency futures and options contracts can be used to hedge transactions in the individual currencies.

CONTRACT SPECIFICATIONS

Table with columns: Trading Units, Quotations, Ticker Symbol, Minimum Price, Fluctuation, Price Limits, Contract Months, Trading Hours, Last Day of Trading, Last Trading Day, Hours, Delivery.

U.S. DOLLAR/ECU EXCHANGE RATE



Approximate weights of currencies in ECU on 1/12/85: German Mark 32.6%, Belgian Franc 8.3%, French Franc 19.5%, Danish Krone 2.9%, British Pound 14.5%, Irish Punt 1.2%, Dutch Guilder 10.4%, Great Drachma 0.9%, Italian Lira 9.3%, Luxembourg Franc 0.3%.

Protection that goes where you need it

For more information about how the new ECU futures can help you protect yourself anywhere in Europe, talk to your broker or call Keith Woodbridge or Neil McGeown at Chicago Mercantile Exchange, 27 Throgmorton Street, London EC2N 2AN. Tel: 01-920 0722. Telex: 892577 IMM LON G.



FUTURES and OPTIONS WORLDWIDE International Monetary Market



BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sub-sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Funds with columns for Name, Price, and % Change. Includes sub-sections for 'Undated' and 'Index-Linked'.

CANADIANS

Table of Canadian Funds with columns for Name, Price, and % Change.

LONDON SHARE SERVICE

Main section of the London Share Service listing various companies and their share prices. Sub-sections include BUILDING, TIMBER, ROADS - Cont., DRAPERY & STORES - Cont., CHEMICALS, PLASTICS, DRAPERY AND STORES, and ENGINEERING.

ENGINEERING - Continued

Table of Engineering companies and their share prices.

INDUSTRIALS - Continued

Table of Industrial companies and their share prices.

INT. BANK AND O'SEAS

Table of International Bank and Overseas issues with columns for Name, Price, and % Change.

COMMONWEALTH & AFRICAN FUNDS

Table of Commonwealth and African Funds with columns for Name, Price, and % Change.

LOANS

Table of Loans with columns for Name, Price, and % Change.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits with columns for Name, Price, and % Change.

BANKS, HP & LEASING

Table of Banks, HP, and Leasing with columns for Name, Price, and % Change.

LOANS

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BEERS, WINES & SPIRITS

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Table of Building, Timber, and Roads with columns for Name, Price, and % Change.

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Financial Times Thursday January 30 1986

INDUSTRIALS-Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

LEISURE-Continued

Table of leisure stock prices including companies like British Airways and British Telecom.

PROPERTY-Continued

Table of property stock prices including companies like British Land and Wimpey.

INVESTMENT TRUSTS-Cont.

Table of investment trust prices including various funds like Fidelity and Invesco.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Airways and British Telecom.

COMMERCIAL VEHICLES

Table of commercial vehicle stock prices including companies like Ford and Renault.

SHIPPING

Table of shipping stock prices including companies like P&O and Cunard.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like Burberry and Asprey.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like News International and Newsprint.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices including companies like Newsprint and Advertising.

TEXTILES

Table of textile stock prices including companies like Burberry and Asprey.

TOBACCO

Table of tobacco stock prices including companies like British American Tobacco.

INSURANCES

Table of insurance stock prices including companies like British American Insurance.

PROPERTY

Table of property stock prices including companies like British Land and Wimpey.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various funds and companies.

PLANTATIONS

Table of plantation stock prices including companies like British American Plantations.

LEISURE

Table of leisure stock prices including companies like British Airways and British Telecom.

PROPERTY

Table of property stock prices including companies like British Land and Wimpey.

INVESTMENT TRUSTS

Table of investment trust prices including various funds like Fidelity and Invesco.

FINANCE, LAND-Cont.

Table of finance and land stock prices including various funds and companies.

MINES-Continued, DIAMOND AND PLATINUM, CENTRAL AFRICAN, AUSTRALIANS, OVERSEAS TRADERS, NOTES, PLANTATIONS, RUBBERS, PAINT OIL, MINE, EASTERN RAND, CENTRAL RAND, FAR WEST RAND, REGIONAL & IRISH STOCKS. Includes detailed financial data for various mining and regional companies.



LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

EQUITIES

Table of recent issues with columns for stock name, price, and change.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for stock name, price, and change.

RIGHTS OFFERS

Table of rights offers with columns for stock name, price, and change.

NEW HIGHS AND LOWS FOR 1985/86

Table listing new highs and lows for 1985/86.

TRADITIONAL OPTIONS

Table of traditional options with columns for option name, price, and change.

RISES AND FALLS YESTERDAY

Table showing rises and falls from yesterday.

Early advance in equities reversed by oil price concern

Account Dealing Dates
Opinion
First Declared Last Account

Oil price worries reversed a promising early extension of the London equity market's run to record levels yesterday.

The index fell back but as soon as the sales were absorbed it recovered gently with the tempo increasing slightly in conjunction with the New York market opening.

Barclays better
Apart from Barclays which rose 8 to 456p on news of a proposed \$500m floating rate note issue, the major clearing banks barely strayed from their overnight levels.

from its US subsidiary, Crocker National, were deemed satisfactory and left Midland unaltered at 436p.

Leading oil shares led the decline but edged away from the lowest as crude oil prices sustained fall since the previous British Petroleum major that much down at 579p.

Stores react
Recent enthusiasm for leading Stores abated and although a slightly firmer tone developed after-hours, double-figures were commonplace.

FINANCIAL TIMES STOCK INDICES

Table of Financial Times Stock Indices with columns for index name and value.

HIGHS AND LOWS

Table of Highs and Lows with columns for stock name, high, and low.

SE ACTIVITY

Table of SE Activity with columns for stock name and activity.

Westland featured in the late dealings, advancing to close 25p higher at 129p on the announcement that Lloyd's Market Bank is making a tender offer for up to 12,630,000 Westland shares at 130p per share.

Among Foods, Bejan encountered aggressive demand on takeover over and closed 20p higher at the day's best of 179p.

fell to 380p before closing only 3 cheaper on balance at 363p. Getstner 9 to the good at 117p. While speculative activity was also responsible for a rise of 8 to 190p in Whitecroft.

Jaguar responded to revived support mainly from the US, touched 384p before settling 10 higher on balance at 389p.

United Newspapers continued to attract support in the wake of a further £5m takeover bid.

Textiles provided a couple of outstanding, albeit contrasting features. Allied Textiles advanced 28 to 448p reflecting satisfaction with the increased annual profits.

Sharply higher on Tuesday following details of the agreed merger, Ina Leisure and A. A. Denmark both encountered profit taking, the former falling 6 to 125p and Devenish 20 to 750p.

Erco International traded in lively fashion and touched 217p before settling 2p net 6 to the good at 210p following call option business and further buying.

for J. Ferguson, finally 5p higher at 234p.

Oil's easier
Renewed downward pressure on North Sea oil prices, which dipped below \$18 a barrel level at one point before staging a modest rally, led to widespread

decisions throughout the oil market. The leaders opened lower and gave ground for the rest of the session apart from a short-lived rally around mid-morning.

Zetters firmed 4 to 133p in response to the good interim results.

Traded Options
Traded Option activity remained at healthy levels with 15,697 contracts struck.

Stocks favoured for the call included Atlantic Resources, Jaguar, STC, Thames Mining, George Wimpey, BICC, Norfolk Capital, Amber Day, Acorn Computers, Rie, J. Ferguson, Rothmans International, Westland, Fairline Beas, Norfolk Railgrill, Erco International, Dunlop Schweppes, Powell Duffryn, Henderson, Mid East Minerals, Marsman and Jones Woodhead. A put was downed.

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FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Table of Equity Groups and Sub-sections with columns for group name, index, and change.

FIXED INTEREST

Table of Fixed Interest with columns for instrument name, yield, and price.

YESTERDAY'S ACTIVE STOCKS

Table of Yesterday's Active Stocks with columns for stock name, price, and change.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's Active Stocks with columns for stock name, price, and change.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for option name, price, and change.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for option name, price, and change.

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Table of Yesterday's Active Stocks with columns for stock name, price, and change.

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WORLD STOCK MARKETS

Main table containing stock market data for various countries including Austria, Germany, Norway, Australia, Japan, Canada, and indices. It lists stock prices, changes, and market performance for numerous companies and regions.

OVER-THE-COUNTER

Table of over-the-counter stock market data, including company names, prices, and changes.

Nasdaq national market, closing prices

Table of Nasdaq national market closing prices for various stocks.

Chief price changes

Table showing chief price changes for various stocks, categorized by rises and falls.

NORTH AMERICAN QUARTERLY RESULTS

Table of quarterly financial results for major North American companies, including revenue, profit, and share price.

Advertisement for 'THE ARTS' featuring various art-related products and services.

Advertisement for 'LONDON' featuring various goods and services.

Advertisement for 'BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.' featuring investment services and products.

Advertisement for 'BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.' featuring investment services and products.



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock symbols, prices, and changes. Includes sections for 'NEW YORK STOCK EXCHANGE' and 'NASDAQ'.

Continued on Page 39



NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 38' and 'Over-the-Counter'.

Table of AMEX Composite Closing Prices. Columns include Stock, High, Low, Last, and Change. Lists various stocks traded on the American Stock Exchange.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, High, Low, Last, and Change. Lists a wide range of stocks traded over-the-counter.



# FINANCIAL TIMES

## WORLD STOCK MARKETS

### WALL STREET

## Rate hopes test previous peak level

THE CUT in Japanese discount rate brought interest rate prospects back into focus on Wall Street writes Terry Byland in New York.

The stock market ended mixed in very heavy trading, after surging ahead at first on hopes of an early cut in US rates, then reacting sharply to rumours - later denied - that Paul Volcker, the Fed chairman, had ruled out such a move. The blue chips moved erratically as a sharp fall in bonds sparked off hectic profit-taking in the stock market.

The New York Stock Exchange had its third most active trading session on record, with 194.7m shares changing hands, the highest total since August 6 1984. The Dow Jones industrial average closed a net 2.52 points up at 1558.94, still eight points short of the recent peak.

Earlier, the Dow soared by 15 points, well clear of the previous closing record, but gains were wiped out when the bond market plunged by three quarters of a point on the Volcker rumours. The Dow Transportation and Composite average also touched new peaks, and the Utilities average rose sharply.

Prospects of a cut in federal discount rate, which had faded somewhat, strengthened in response both to the Japanese move and also to Federal Reserve vice-chairman Mr Preston Martin's comment that the central bank must quickly ensure that cuts in the federal deficit do not harm the economy.

Worries about the banks' energy loans took a back seat as investors preferred to concentrate on the prospects of easier short term rates. Citicorp, favoured because of its success in the US consumer business, jumped 1 1/4% to 47 1/4%, and others to advance strongly included J. P. Morgan, 1 1/4% higher at 84 1/4%, Chase Manhattan, up 1 1/4% at 77 1/4%, and Bankers Trust, 1 1/4% higher at 33 1/4%.

But interest rate prospects inspired gains across the broad spectrum of financial issues. General Reinsurance added \$1 to \$37 1/4, and Geico \$3 to \$84 1/4.

Stocks in companies associated with the space shuttle project rallied from the brief falls suffered on Tuesday. Morton Thiokol at \$32 was 3/4% easier while Rockwell regained 3/4% to \$35 and Lockheed 5/8% to \$40 1/4.

Car stocks, which will benefit both from lower oil prices and from lower interest rates on customer financing fared well. Ford, up 1 1/4% at \$64 and Chrysler, up 3/4% at \$46 1/4, attracted heavy turnover. At \$75, General Motors was 3/4% up, but off the top.

Selective buying of airline issues put \$4 on American Airlines, at \$48 in heavy trading. At \$8 1/4, Pan Am gained 3/4% to approach its share peak and was also traded heavily.

A firm chemicals sector took its lead from Du Pont, \$1 higher at \$64 following the results. The best feature was Celanese, which bounded by a further 5 1/4% to \$157 1/4, still responding to sharply increased profits.

With the dollar's prospects uncertain, pharmaceutical issues looked strong behind Abbot laboratories, up 1 1/4% at \$67 1/4 and Merck, up 5/8% at \$138 1/4.

However, the market continued to show disappointment with the trading figures from AT&T, which eased a further 5/4% to \$22 1/4 in heavy turnover.

In a mixed oil sector, Phillips shed 5/4% to \$10 1/4 following the profits news. Atlantic Richfield at \$5 1/4 gave up 1/4% as its North Sea prices came under pressure. Philip Morris responded vigorously to the profits statement, adding 5/4% to \$95 1/4, taking R. J. Reynolds, also with profits due, 5/8% higher to \$32 1/4 in its wake.

Philip Morris' profits were well above Wall Street predictions, and raised hopes of higher dividend payments from the tobacco majors, which have suffered in the stock market as investors have shied away from impending legal claims in cancer-related deaths.

Department stores, which have also been one of the weaker sectors, continued to respond to expectations that lower oil prices will bring increased employment and consumer spending.

The credit markets lay dormant while awaiting the Treasury funding statement. Federal funds remained below 8 per cent but other short-term rates looked irregular.

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### TOKYO

## Speculative favourites dominate

DESPITE FAVOURABLE factors including the upsurge on Wall Street, investors sought only speculative and incentive-backed issues with a low margin buying balance in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average lost 36.55 to 12,957.14, the first drop in five sessions. But the Tokyo Stock Exchange simple arithmetic price average registered a seventh straight rise of 0.41 to 733.16.

Reflecting heavy transactions of speculative leaders, volume sharply expanded from 347m shares on Tuesday to 478m. Losers outpaced gainers 458 to 374 with 147 issues unchanged.

A leading brokerage house said the day was dominated by hectic demand for speculative favourites. With the start of trading for delivery next month, securities houses usually step up business, collecting massive orders from institutional investors and businesses. Major investors remained on the sidelines, however.

The dealing sections of brokerages and individual investors hunted speculative and incentive-backed stocks priced below ¥1,000 to reap quick capital gains.

Janome Sewing Machine, which is in a joint venture with IBM Japan to produce educational equipment, topped the active list with 18m shares. Its price fluctuated between ¥511 and ¥575, closing ¥74 higher at ¥570. Tokyo Juki Industrial drew speculative interest on rumours of a tie-up with IBM and scored a daily limit gain of ¥100 to ¥755.

Citizen Watch was the second busiest with 16m shares, rising ¥9 to ¥539. Investors apparently expect Citizen's supply of "camcorder" parts to JVC to contribute much to its performance.

All Nippon Airways rose ¥22 to ¥832 on the day's third heaviest volume of 14m shares, reflecting its imminent advance into international services and rumours of heavy purchases by speculators. Asahi Optical went up ¥23 to ¥552.

However, Oki Electric fell ¥4 to ¥725, Hitachi ¥7 to ¥788 and Shin-Etsu Chemical ¥30 to ¥1,000 under profit-taking pressure. The yen's temporary rise to ¥193.85 against the US dollar dampened blue chips. Large-capital stocks eased, with Tokyo Electric Power finishing ¥30 lower at ¥2,800.

A leading trust bank sold ¥100bn worth of government bonds. But investors were encouraged by expectations that West Germany and the US would follow Japan in slashing the official discount rate and that trust banks, which had sold government bonds worth ¥400bn to ¥500bn, would have to buy them back sooner or later. The yield on the benchmark 6.2 per cent government bonds due in July 1995 plunged from 5.51 per cent on Tuesday to 5.44 per cent.

**SINGAPORE**

SELLING increased late in the session in Singapore as rumours continued to swirl about Pan-Electric.

A report in a Chinese-language newspaper suggested that two industrialists may be involved in the financial troubles of the company owned by Tan Koon Swan.

The Straits Times industrial index fell 6.13 to 599.45.

Singapore Airlines was once again heavily traded and ended unchanged at S\$5.15 after \$34,000 shares changed hands.

**CANADA**

MOST SECTORS posted gains in Toronto, as strength on Wall Street propelled blue chips.

Canadian Pacific, the most active issue on the market, added C\$7 to C\$18 1/2. Northern Telecom was again popular, gaining C\$3 to C\$36 1/2.

Banks showed improvement with Canadian Imperial Bank of Commerce ahead C\$7 at C\$21 1/2 after its two-for-one stock split.

### EUROPE

## Sun shines brightly on Milan

THE SUN normally shines on the right-shoulders and yesterday it was the turn of the Italians as the storm clouds that buffeted the German bourses on Tuesday began to clear.

Milan had a plethora of good news to digest. Sentiment was bolstered by the ease with which the Government won two votes of confidence over its disputed 1986 Finance Bill. Institutional investors adopted a high profile and concentrated their buying power on industrial blue chips.

Foreign buyers were less evident largely due to the technical aspects of the extension of the February trading month and of position-squaring to the end of March.

After-hours trading saw further gains although some of the lustre was removed from the industrials.

Insurers topped most of the buy lists. Generali notched up a L1,250 gain to L79,750, while Toro secured a L240 rise to L26,440.

Among the banks, Mediobanca finished the session L1,200 stronger at L126,500 while Banca Commerciale advanced L50 to L20,100 and Credito Italiano climbed to L3,444 with a L74 boost.

Industrials also provided some excitement. Fiat was bought in any form available, with its ordinary shares gaining L155 to L6,488, while the motor group's preferred shares moved L152 ahead to L5,570. Montedison recovered all the previous session's decline with a L54 rally to L2,759 and Olivetti, L138 higher on Tuesday, sprinted a further L112 to L9,760.

In the food sector Buitoni sparked with a L365 surge to L4,570 ahead of plans for a capital increase and Rinascente in stores firmed L11 to L969.

Bastogi weakened L23 to L480 following the announcement by Italmobiliare that it had sold a half of its Bastogi stake to Acqua Pia Marcia.

Pirelli extended the falls of the previous session with a further L38 decline to L3,982.

The clear skies over Frankfurt produced a 6 point gain in the Commerzbank index to 2,003.2 after Tuesday's sharp 71.4 fall. Trading volume, however, was extremely thin.

Siemens was in the spotlight again as the electrical group announced a higher dividend. It fell DM 5 to DM 802.

The car makers, long in the vanguard of the market's rallies and subsequent technical corrections, moved lower again with Daimler DM 25 cheaper at DM 1,320 and BWW off DM 8 to DM 598. Porsche lost only DM 6 to DM 1,339,

while VW reversed some of the damage done on Tuesday with a DM 1 gain to DM 513.

The banking sector, having offered the market a heavy dose of indigestion with its recent feast of rights issues, continued uneasy. Commerzbank shed DM 4 to DM 318, while Deutsche Bank and BHF held steady at DM 810 and DM 518 respectively. Dresdner, the most recent of the institutions to make a hefty cash call moved against the trend with a DM 4.50 gain to DM 420, while Bayerische Hypo Bank jumped DM 13 to DM 545.

Allianz dropped DM 35 to DM 2,280, while associate insurer Munich Re dropped DM 280 to DM 3,420.

A nervous bond market finished higher on the fall in the dollar and the hope of a cut in world interest rates. The short end of the market gained up to 30 basis points while longs settled 15 basis points higher. Bundesbank intervention was more obvious with sales of DM 113.1m of public paper compared with sales of DM 54.2m on Tuesday.

Paris built on the calm and perseverance of the previous session. Foreign demand, aided by the Prime Minister's forecast of 2 per cent inflation this year, surfaced among bank and portfolio stocks. The fall in the dollar also enticed some hesitant overseas funds.

Zarich finished firmer as the market prepares itself for the forthcoming bank reporting season.

UBS rose SFr 40 to SFr 4,970, while Swiss Bank added SFr 6 to SFr 561. Zurich Insurance picked up SFr 50 to SFr 5,800 and Swiss Re held steady at SFr 15,400.

Nestlé, which announced the takeover of a Spanish dairy producer, recovered with a SFr 25 gain to SFr 8,500 while Jacobs Suchard finished SFr 125 higher at SFr 7,475.

Bonds were steady on low volume again as the cut in the Japanese discount rate failed to spark any interest.

Brussels was mixed in moderate trading. GBL firmed BFR 80 to BFR 2,385 in large overseas buying.

Stockholm lost ground in thin trading, while Amsterdam weakened despite the overnight gains on Wall Street.

Pedestrian trading in Madrid took most sectors lower.

### SOUTH AFRICA

MOST ISSUES ended the day in Johannesburg either mixed or lower as the bull market failed to give any fresh leads to gold.

Randfontein lost R5 to R285 and Libanon 50 cents to R55, while Driefontein was steady at R54.50.

In platinum issues Impala shed 50 cents to R28 and Rustenburg Platinum eased 25 cents to R27.75.

Against the trend, diamond share De Beers firmed 25 cents to R18.

Industrials issues ended mixed with Barlow Rand 20 cents higher at R15.20 and South African Breweries, a diversified beer and retailing group, edging up 5 cents to R8.65.

### LONDON

## Record run slips on oil worries

OIL-PRICE worries returned to London yesterday, reversing a promising early extension of the market's run to record levels.

Shortly after the opening, the FT Ordinary share index was 5.2 higher at a new inter-day peak of 1,160.6, but a dip in North Sea oil prices to less than \$18 a barrel prompted a sell-off by short-term operators. The index ended 5.4 lower at 1,150.0.

Leading oil shares led the decline. British Petroleum lost 8p to 575p and Shell was 7p easier at 673p.

Glits drifted easier as the pound lost ground. Longer-dated issues fell by as much as 1/2% at one stage before being reduced by around 1/4%.

Chief price changes. Page 37. Details, Page 36. Share information service, Pages 34-35

### AUSTRALIA

INDUSTRIAL ISSUES stole the show from golds and other miners in Sydney yesterday, where prices rose for the second consecutive session.

The All Ordinaries index gained 4.9 to 1,060.5, while the All Industrials added 10.3 to a record 1,575.8.

Mr Rupert Murdoch's News Corporation traded strongly, adding 46 cents to A\$9.86. Elsewhere in industrials, Westfield Holdings, the property group, rose 30 cents to A\$14. Adsteam gained a similar amount to A\$11.50 and Brumblies added 20 cents to A\$1.80.

Bond Corporation, which has announced a bid for Pittsburgh Brewing in the US, rose 10 cents to A\$2.15.

### HONG KONG

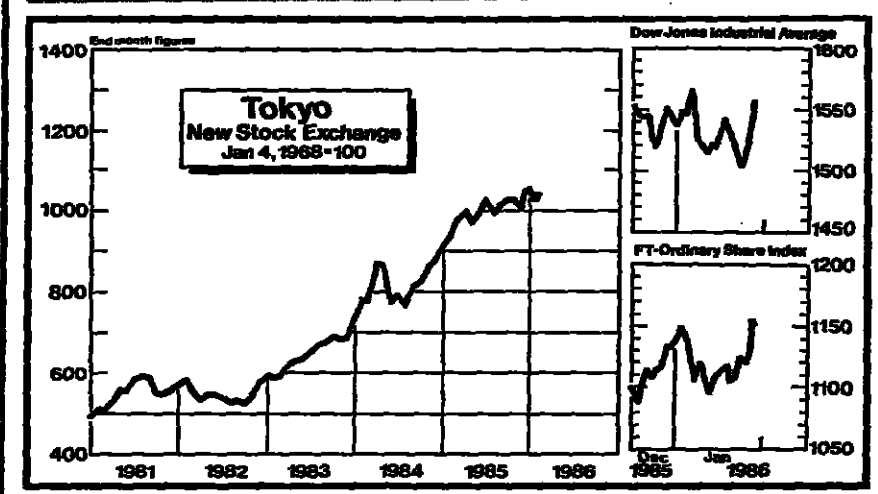
THE SUSPENSION of shares in Wah Kwong Shipping and news that it may require a debt restructuring dampened sentiment in Hong Kong yesterday. Foreign investors rode a wave of selling which depressed prices across the board.

The Hang Seng index shed 18.03 to 1,738.35 on turnover which was heavy for the regular half-day session.

Rumours that the Chao family, which owns Wah Kwong, may sell a stake in their property group sent Wah Kwong Properties 5 cents lower to 87 cents.

Elsewhere, Cheung Kong fell 40 cents to HK\$20.10, China Light 40 cents to HK\$16.15 and Hutchison Whampoa 50 cents to HK\$26.30.

### KEY MARKET MONITORS



| STOCK MARKET INDICES |           |           |           |
|----------------------|-----------|-----------|-----------|
|                      | Jan 29    | Previous  | Year ago  |
| <b>NEW YORK</b>      |           |           |           |
| DJ Industrials       | 1,558.94  | 1,556.42  | 1,292.62  |
| DJ Transport         | 755.58    | 753.68    | 614.37    |
| DJ Utilities         | 174.85    | 174.39    | 148.80    |
| S&P Composite        | 210.29    | 208.81    | 179.18    |
| <b>LONDON</b>        |           |           |           |
| FT Ord               | 1,150.0   | 1,155.4   | 986.7     |
| FT-SE 100            | 1,421.0   | 1,426.3   | 1,249.3   |
| FT-A All-shares      | 688.46    | 688.40    | 613.89    |
| FT-A 500             | 755.93    | 757.62    | 672.00    |
| FT Gold mines        | 337.9     | 347.7     | 465.0     |
| FT-A Long gilt       | 10.72     | 10.68     | 11.03     |
| <b>TOKYO</b>         |           |           |           |
| Nikkei               | 12,957.14 | 12,993.69 | 11,843.10 |
| Tokyo SE             | 1,039.10  | 1,041.20  | 822.34    |
| <b>AUSTRALIA</b>     |           |           |           |
| All Ord              | 1,060.5   | 1,055.6   | 758.1     |
| Metals & Mins.       | 539.7     | 534.5     | 432.2     |
| <b>AUSTRIA</b>       |           |           |           |
| Credit Aktien        | 121.61    | 121.10    | 58.18     |
| <b>BELGIUM</b>       |           |           |           |
| Belgian SE           | 2,828.79  | 2,817.96  | 2,110.16  |
| <b>CANADA</b>        |           |           |           |
| Toronto              |           |           |           |
| Metals & Mins        | 2,302.7   | 2,258.2   | 1,778.8   |
| Composite            | 2,868.6   | 2,837.9   | 2,590.1   |
| Montreal             |           |           |           |
| Portfolio            | 141.24    | 138.38    | 130.46    |
| <b>GERMANY</b>       |           |           |           |
| SE                   | 219.94    | 221.94    | 170.18    |
| <b>FRANCE</b>        |           |           |           |
| CAC Gen              | 284.9     | 283.6     | 195.6     |
| Ind. Tendancy        | 108.0     | 107.3     | 106.9     |
| <b>WEST GERMANY</b>  |           |           |           |
| FAZ-Aktien           | 665.40    | 662.72    | 393.78    |
| Commerzbank          | 2,003.2   | 1,997.2   | 1,472.2   |
| <b>HONG KONG</b>     |           |           |           |
| Hang Seng            | 1,736.35  | 1,754.38  | 1,338.67  |
| <b>ITALY</b>         |           |           |           |
| Banca Com.           | 474.28    | 466.77    | 259.88    |
| <b>NETHERLANDS</b>   |           |           |           |
| ANP-CBS Gen          | 251.5     | 252.8     | 182.2     |
| ANP-CBS Ind          | 242.2     | 243.3     | 153.3     |
| <b>NORWAY</b>        |           |           |           |
| Oslo SE              | 374.04    | 375.28    | 326.64    |
| <b>SINGAPORE</b>     |           |           |           |
| Straits Times        | 599.45    | 605.58    | 616.38    |
| <b>SOUTH AFRICA</b>  |           |           |           |
| JSE Golds            | 1,322.7   | 1,322.7   | 914.7     |
| JSE Industrials      | 1,077.3   | 1,077.3   | 880.4     |
| <b>SPAIN</b>         |           |           |           |
| Madrid SE            | 107.56    | 108.15    | 113.82    |
| <b>SWEDEN</b>        |           |           |           |
| J & P                | 1,729.57  | 1,763.96  | 1,429.83  |
| <b>SWITZERLAND</b>   |           |           |           |
| Swiss Bank Ind       | 578.2     | 575.1     | 412.2     |
| <b>WORLD</b>         |           |           |           |
| MS Capital Int'l     | 258.0     | 256.2     | 194.4     |

| CURRENCIES       |          |          |          |
|------------------|----------|----------|----------|
|                  | Jan 29   | Previous | Jan 29   |
| <b>US DOLLAR</b> |          |          |          |
| (London)         |          |          |          |
| \$               | 2.3675   | 2.367    | 3.2475   |
| DM               | 1.940    | 1.956    | 2.720    |
| Yen              | 7.325    | 7.3625   | 10.275   |
| SFR              | 2.0215   | 2.032    | 2.885    |
| Quiliner         | 2.6975   | 2.7105   | 3.7825   |
| Liwa             | 1.6280   | 1.6385   | 2.2825   |
| Bfr              | 48.8     | 49.15    | 68.45    |
| Cs               | 1.4155   | 1.4205   | 1.985    |
| <b>STERLING</b>  |          |          |          |
| Jan 29           | Previous | Jan 29   | Previous |
| DM               | 1.4025   | 1.41     | 1.41     |
| \$               | 3.2475   | 3.2475   | 3.2475   |
| Yen              | 27.575   | 27.575   | 27.575   |
| SFR              | 10.275   | 10.275   | 10.275   |
| Quiliner         | 9.8275   | 9.8275   | 9.8275   |
| Liwa             | 2.2825   | 2.2825   | 2.2825   |
| Bfr              | 68.45    | 68.45    | 68.45    |
| Cs               | 1.985    | 1.985    | 1.985    |

| INTEREST RATES                    |        |          |        |
|-----------------------------------|--------|----------|--------|
|                                   | Jan 29 | Previous | Jan 29 |
| <b>Euro-currency rates</b>        |        |          |        |
| (3-month offered rate)            |        |          |        |
| £                                 | 12%    | 12%      | 12%    |
| SFR                               | 4 1/4% | 4 1/4%   | 4 1/4% |
| DM                                | 4 1/4% | 4 1/4%   | 4 1/4% |
| FF                                | 10%    | 10%      | 10%    |
| <b>FT London Interbank fixing</b> |        |          |        |
| (offered rate)                    |        |          |        |
| 3-month US\$                      | 8 1/4% | 8 1/4%   | 8 1/4% |
| 6-month US\$                      | 8 1/4% | 8 1/4%   | 8 1/4% |
| US Fed Funds                      | 8      | 8        | 8      |
| US 3-month CD                     | 7.60   | 7.65     | 7.65   |
| US 3-month T-bills                | 7.01   | 6.905    | 6.905  |

| US BONDS    |        |       |       |
|-------------|--------|-------|-------|
| Treasury    | Jan 29 | Yield | Price |
| 8 1/4% 1988 | 100%   | 8.022 | 100%  |
| 8 1/4% 1993 | 99%    | 8.865 | 99%   |
| 9 1/4% 1995 | 102%   | 9.038 | 102%  |
| 9 1/4% 2015 | 105%   | 9.323 | 105%  |

| FINANCIAL FUTURES             |        |       |       |
|-------------------------------|--------|-------|-------|
|                               | Jan 29 | Yield | Price |
| <b>CHICAGO</b>                |        |       |       |
| US Treasury Bonds (CBT)       |        |       |       |
| 8 1/4% 32nds of 100%          |        |       |       |
| Mar                           | 84-29  | 85-20 | 84-25 |
| US Treasury Bills (TBN)       |        |       |       |
| \$1m points of 100%           |        |       |       |
| Mar                           | 93.13  | 93.26 | 93.05 |
| Certificates of Deposit (CND) |        |       |       |
| \$1m points of 100%           |        |       |       |
| Mar                           | 92.38  | 92.47 | 92.37 |
| <b>LONDON</b>                 |        |       |       |
| Three-month Eurodollar        |        |       |       |
| \$1m points of 100%           |        |       |       |
| Mar                           | n/a    | n/a   | n/a   |
| 20-year National debt         |        |       |       |
| £50,000 32nds of 100%         |        |       |       |
| Mar                           | n/a    | n/a   | n/a   |

| COMMODITIES |  |  |  |
|-------------|--|--|--|
|-------------|--|--|--|